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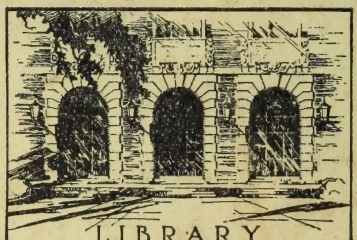

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Series 7, No. 1, Revised June 9, 1893.

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

ASSESSMENTS.

JUNE 9, 1893.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1893.

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Series 7, No. 1, Revised June 9, 1893.

UNITED STATES INTERNAL REVENUE.

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(Series 7)

CONCERNING

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PREFACE.

The earliest instructions in the Revised Statutes of the United States relating to assessments are those requiring the canvass of districts for objects of taxation. The first pages of the following regulations, Series 7, No. 1, are therefore devoted to general instructions concerning obtaining data for assessments. The laws authorizing and requiring collectors to take certain measures to ascertain what taxes are due, in the absence of returns from taxpayers, or in case of false or fraudulent returns, have been long enough in existence to have been construed by the courts as to nearly every possible case likely to arise, and the leading judicial decisions are here given in connection with the statute in each case. As an examination of these decisions will show the collector the extent of his powers in these matters, and will indicate to him the proper course to be taken in each particular class of cases, and may even prevent him from losing a case in the courts by reason of having sought the remedy under the wrong statute, the attention of collectors is particularly called to this part of the regulations.

The second part of the regulations is devoted principally to a statement of the different articles and occupations liable to tax under internal-revenue laws, and to the conditions and limitations under which the several taxes are assessed.

In this portion of the regulations the taxes have been arranged in groups, as taxes payable by stamps, taxes not payable by stamps, etc., and instructions applicable to a class have first been given, followed under suitable headings by those relating to the members of a class. The treatment of special taxes is a case in point. In each case the statutory definition is usually first given, and then the rulings of this office, the opinions of the Attorneys-General, and the decisions of the courts, which have been published from time to time, are briefly stated.

It is suggested in this connection that each collector provide himself with an interleaved copy of these regulations [one quire and a half of note paper is sufficient for the purpose], and when new taxes are imposed or existing taxes are repealed, and as further decisions, etc., affecting the several classes of taxes, are published from time to time in the Internal-Revenue Record, or are issued as "circulars," "specials," etc., that he make in such copy a memorandum of each of such decisions, etc., on the page of the blank leaf facing the page on which the decisions, etc., relative to the particular tax to which the new ruling applies are to be found. It is believed that in this way much time may be saved and correspondence avoided.

The third and last part of these regulations is mainly devoted to instructions concerning the preparation of assessment lists. Instructions as to collection of the 5-per-cent penalty and interest due, in case of delay in the payment of assessed taxes, are added, as such penalty and interest are reported on Form 58 of the assessment list, and included in the receipt for assessed taxes. The general subject of collections is treated in Regulations, Series 7, No. 2, revised July 15, 1889.

Instructions relative to reporting assessed taxes payable by stamps are printed on the back of the blank form (325) used in reporting such taxes after assessment.

It is noted that, since the publication, February 19, 1880, of the first edition of the Regulations, Series 7, No. 1, the collections under repealed laws have steadily declined from year to year, indicating that such taxes have nearly all been collected. It is therefore not deemed advisable to republish in this edition the regulations governing the collection of such taxes, but rather to furnish copies of the first edition in the few cases when information as to such taxes is desired. Attention is, however, called to the fact that by the terms of section 2 of an act approved March 3, 1883, on and after the 1st day of May, 1883, certain special taxes were imposed which, by section 26 of an act approved October 1, 1890, were, on and after May 1. 1891, repealed, as follows:

Dealers in leaf tobacco	$12.00
Dealers in manufactured tobacco	2.40
Manufacturers of tobacco	6.00
Peddlers of tobacco, snuff, and cigars of the—	
First class (more than 2 horses or other animals)	30.00
Second class (2 horses or other animals)	15.00
Third class (1 horse or other animal)	7.20
Fourth class (on foot or public conveyance)	3.60
Retail dealers in leaf tobacco	250.00
And for each dollar of the amount of their monthly sales in excess of the rate of $500 per annum	.30

During this period of eight years the sales of tobacco, of their own growth and raising, which the farmers and producers of tobacco were allowed to make at the place of production at retail directly to consumers was limited to an amount not exceeding $100 annually.

The tax on all kinds of manufactured tobacco, except cigars, cheroots, and cigarettes, was, under the operation of the acts of March 3, 1883, and of October 1, 1890, 8 cents per pound from May 1, 1883, to January 1, 1891. Since December 31, 1890, this tax has been 6 cents per pound.

Attention is called to the tabular statements of the dates of internal-revenue laws published in the "Compilation of 1889," enacted prior to July 1, 1889, as to distilled spirits, on page 99; as to fermented liquors, on page 156; as to tobacco and snuff, on page 167; and as to cigars and cigarettes, on pages 181 and 182.

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(Series 7, No. 1, Revised June 9, 1893.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS CONCERNING ASSESSMENTS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, June 9, 1893.

Section 321 of the Revised Statutes of the United States provides that—

The Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, shall * * * prepare and distribute all the instructions, regulations, directions, forms, blanks, stamps, and other matters pertaining to the assessment and collection of internal revenue.

* * * * * * *

Section 3447 provides that—

Whenever the mode or time of assessing or collecting any tax which is imposed is not provided for, the Commissioner of Internal Revenue may establish the same by regulation.

* * * * * * *

I.

THE COMMISSIONER OF INTERNAL REVENUE TO MAKE ASSESSMENTS.

The duty of assessing all taxes and penalties imposed by Title XXXV, Internal Revenue, of the Revised Statutes, or accruing under any former or subsequent internal-revenue act, where such taxes are not payable by stamp, or where they have not been duly paid by stamp at the time and in the manner provided by law, is imposed upon the Commissioner of Internal Revenue by section 3182, as follows:

SEC. 3182. The Commissioner of Internal Revenue is hereby authorized and required to make the inquiries, determinations, and assessments of all taxes and penalties imposed by this Title, or accruing under any former internal-revenue act, where such taxes have not been duly paid by stamp at the time and in the manner provided by law, and shall certify a list of such assessments when made to the proper collectors respectively, who shall proceed to collect and account for the taxes and penalties so certified. Whenever it is ascertained that any list which has been or shall be delivered to any collector, is imperfect or incomplete in consequence of the omission of the name of any person liable to tax, or in consequence of any omission, or understatement, or under-

valuation, or false or fraudulent statement contained in any return made by any person liable to tax, the Commissioner of Internal Revenue may, at any time within fifteen months from the time of the delivery of the list to the collector as aforesaid, enter on any monthly or special list the name of such person so omitted, together with the amount of tax for which he may have been or shall become liable, and also the name of any such person in respect to whose return, as aforesaid, there has been or shall be any omission, undervaluation, understatement, or false or fraudulent statement, together with the amount for which such person may be liable, above the amount for which he may have been or shall be assessed upon any return made as aforesaid; and he shall certify and return such list to the collector as required by law. And all provisions of law for the ascertainment of liability to any tax, or the assessment or collection thereof, shall be held to apply, so far as may be necessary, to the proceedings herein authorized and directed.

Other sections of the Revised Statutes and subsequent acts of Congress imposing upon the Commissioner the duty of assessing certain specified taxes and penalties are hereinafter cited in connection with the instructions concerning such taxes.

The fact that a tax is not collectible because the party liable to the tax has no means is not sufficient, in itself, to warrant omission of assessment.

GENERAL INSTRUCTIONS AS TO OBTAINING DATA FOR ASSESSMENTS.

Canvass of districts for objects of taxation.

Section 3172, Revised Statutes, provides that—

Every collector shall, from time to time, cause his deputies to proceed through every part of his district and inquire after and concerning all persons therein who are liable to pay a special tax, and all persons owning or having the care and management of any objects liable to pay any tax, and to make a list of such persons and enumerate said objects.

The list referred to above should be made on Form 24, and should contain nothing but taxes which should be reported for assessment. The report of the deputy, on Form 24, should be made so as to reach the collector on or before the fifth day of the month next succeeding the one for which the report is made. This return on Form 24 should not be confounded by the deputy with his return of collections on Form 102.

Returns of persons liable to tax.

Section 3173, Revised Statutes, as amended by section 3 of the act of March 1, 1879, provides that—

It shall be the duty of any person, partnership, firm, association, or corporation, made liable to any duty, * * * stamp, or tax imposed by law, when not otherwise provided for, * * * before the day on which the taxes accrue, to make a list or return, verified by oath or affirmation, to the deputy collector of the district where located, of the articles or objects charged with a special duty or tax, the quantity of

goods, wares, and merchandise made or sold, and charged with a specific or ad valorem duty or tax, the several rates and aggregate amount, according to the forms and regulations to be prescribed by the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, for which such person, partnership, firm, association, or corporation is liable.

Section 53 of the act of October 1, 1890, provides as follows:

And it shall be the duty of special taxpayers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes.

When returns may be made by deputy collectors for taxpayers.

Said section 3173, Revised Statutes, further provides—

That if any person liable to pay any duty or tax, or owning, possessing, or having the care or management of property, goods, wares, and merchandise, articles or objects liable to pay any duty, tax, or license, shall fail to make and exhibit a list or return required by law, but shall consent to disclose the particulars of any and all the property, goods, wares, and merchandise, articles and objects liable to pay any duty or tax, or any business or occupation liable to pay any special tax as aforesaid, then, and in that case, it shall be the duty of the deputy collector to make such list or return, which, being distinctly read, consented to, and signed and verified by oath or affirmation by the person so owning, possessing, or having the care and management as aforesaid, may be received as the list of such person.

In case of absence, deputy collector to serve notice requiring return.

Said section 3173 further provides—

That in case any person shall be absent from his or her residence or place of business at the time a deputy collector shall call for the annual list or return and no annual list or return has been rendered by such person to the deputy collector as required by law, it shall be the duty of such deputy collector to leave at such place of residence or business, with some one of suitable age and discretion, if such be present, otherwise to deposit in the nearest post-office, a note or memorandum, addressed to such person, requiring him or her to render to such deputy collector the list or return required by law, within ten days from the date of such note or memorandum, verified by oath or affirmation.

In the case of special taxes, this note will be on Form 5.

Collector's summons of persons to appear, produce books, and to testify respecting objects liable to tax and the returns thereof.

Said section 3173 lastly provides that—

If any person on being notified or required as aforesaid shall refuse or neglect to render such list or return within the time required as aforesaid or whenever any person who is required to deliver a monthly or other return of objects subject to tax fails to do so at the time required, or

delivers any return which, in the opinion of the collector, is false or fraudulent, or contains any undervaluation or understatement, it shall be lawful for the collector to summon such person, or any other person having possession, custody, or care of books of account containing entries relating to the business of such person, or any other person he may deem proper, to appear before him and produce such books, at a time and place named in the summons, and to give testimony or answer interrogatories, under oath, respecting any objects liable to tax or the returns thereof. The collector may summon any person residing or found within the State in which his district lies; and when the person intended to be summoned does not reside and car not be found within such State, he may enter any collection district where such person may be found, and there make the examination herein authorized. And to this end he may there exercise all the authority which he might lawfully exercise in the district for which he was commissioned.

It will be observed that the collector is authorized, under section 3173, Revised Statutes, to issue his summons, as aforesaid, in case of refusal or neglect to make returns or in case of false or fraudulent returns. Under the provisions of section 1 of the act of August 15, 1876 (section 3163*a*, Compilation of 1889), it is his duty to see that all laws and regulations relating to the collection of internal taxes are faithfully executed and complied with, and to aid in the prevention, detection, and punishment of any frauds in relation thereto, and for such purposes he is empowered to examine all persons, books, papers, accounts, and premises, to administer oaths, and to summon any person to produce books and papers, or to appear and testify, under oath, before him.

The manner of service of summons is set forth in section 3174, Revised Statutes. Section 3175, Revised Statutes, provides that in case of failure to obey summons, or to give testimony, or to answer interrogatories as required, the collector may apply to the judge of the district court, or to a commissioner of the circuit court of the United States for the district within which the person summoned resides, for an attachment against him as for a contempt.

A taxpayer charged with making false returns must appear before the proper collector by whom summoned for examination, with his books. (See decision by Judge Blatchford, page 1, vol. 9, Internal-Revenue Record.)

It is no defense that the answers would tend to criminate witness, inasmuch as, under the act of February 25, 1868 [now section 860, Revised Statutes], no disclosures or admissions so made can be used against him in criminal or quasi-criminal prosecutions. (See decision by Judge Underwood, page 107, vol. 10, Internal-Revenue Record.)

A collector of internal revenue is entitled under the law to examine the books and papers belonging to banks, bankers, and others within his district relating to their business and connected with the subjects of taxation, and he is not bound to inform the owners of his purpose in making such examination.

Where a summons for the production of books and papers has been issued by a collector of internal revenue, and such summons has been

duly served and not complied with, a United States district judge may, upon application and proof of these facts, issue a writ of attachment.

The law (section 3163*a*, Compilation of 1889, aforesaid) is not unconstitutional in giving collectors the right to examine such books and papers as show the operations of banks, etc., with the public, and are connected with the internal revenue of the United States. (See the decision by Judge Hill in the case of Stanwood *v.* Green, 11th Record, p. 134.)

Under section 3175, Revised Statutes, a judge or commissioner has power to issue an attachment as for a contempt against a person summoned by a collector for a refusal or neglect by such person to obey the summons, to give testimony, or answer interrogatories. It has been held, also, that the judge may, instead of an attachment, issue a rule to show cause why an attachment should not issue. The application of the collector in these cases is a proceeding in a civil cause, and may be amended. It has been decided that, *under the provisions of law reproduced as section 3173, Revised Statutes*, the collector is not authorized to require the production of the books of a corporation in which the taxpayer is a shareholder, such books, in the meaning of that provision, not being books relating to the trade or business of the shareholder. (See decision by Judge Lowell, p. 133, Vol. 11, Record.)

The protection to a person that he shall not be compelled to be a witness against himself applies only to criminal cases, and does not extend to a witness called under summons to appear before a collector to give testimony and produce books relating to returns and assessments, as this latter is a civil proceeding. The examination of books under such summons is not an infringement of the fourth amendment to the Constitution providing against unreasonable searches, as this clause is applicable to criminal cases only. The person summoned having appeared and brought with him the books and papers required can not lawfully refuse to exhibit the same to the collector, or to testify concerning them. (See decision by Judge Hillyer, p. 182, Vol. 11, Record.)

Section 3173 of the Revised Statutes clothes collectors of internal revenue with supervisory power over, and authorizes them to investigate all accounts, lists, or returns made, or required to be made, to them by any and all classes of persons liable to pay taxes upon any property, trade, or business. (See decision by Judge Hopkins, concurred in by Judge David Davis, p. 100, Vol. 14, Record.)

When collectors or deputy collectors may enter premises and make returns.

Section 3176, Revised Statutes, as amended by section 3 of the act of March 1, 1879, requires that—

The collector or any deputy collector in every district shall enter into and upon the premises, if it be necessary, of every person therein who has taxable property and who refuses or neglects to render any return or list required by law, or who renders a false or fraudulent return or

list, and make, according to the best information which he can obtain, including that derived from the evidence elicited by the examination of the collector, and on his own view and information, such list or return, according to the form prescribed, of the objects liable to tax, owned or possessed or under the care or management of such person, and the Commissioner of Internal Revenue shall assess the tax thereon, including the amount, if any, due for special tax, and in case of any return of a false or fraudulent list or valuation, he shall add one hundred per centum to such tax; and in case of a refusal or neglect, except in cases of sickness or absence, to make a list or return, or to verify the same as aforesaid, he shall add fifty per centum to such tax. In case of neglect occasioned by sickness or absence as aforesaid, the collector may allow such further time for making and delivering such list or return as he may deem necessary, not exceeding thirty days.

The extension not exceeding thirty days which the collector is authorized to grant under section 3176, Revised Statutes, as amended, will be reckoned as to special taxes under the provisions of section 53 of the act of October 1, 1890, from and after the last day of the calendar month in which the special tax liability commences. In the case of banks and bankers it will be reckoned under section 3414, Revised Statutes, from the 1st day of December as to taxes due on the 1st day of January following, and from the 1st day of June as to taxes due on the 1st day of July following. In other cases the extension will be reckoned under section 3173, Revised Statutes, from the day on which the taxes accrue, unless otherwise provided.

Section 3176, Revised Statutes, as amended, provides further that—

The amount so added to the tax shall * * * be collected at the same time and in the same manner as the tax unless the neglect or falsity is discovered after the tax has been paid, in which case the amount so added shall be collected in the same manner as the tax; and the list or return so made and subscribed by such collector or deputy collector shall be held good and sufficient for all legal purposes.

Officers may enter premises where taxable articles are kept.

Section 3177, Revised Statutes, provides that—

Any collector, deputy collector, or inspector may enter, in the daytime, any building or place where any articles or objects subject to tax are made, produced, or kept, within his district, so far as it may be necessary, for the purpose of examining said articles or objects. * * * And when such premises are open at night, such officers may enter them while so open in the performance of their official duties.

Officers must have free and peaceable egress as well as ingress to the places where they are authorized to make examination, and the proprietors have no right to eject them. (Decision of United States district court, northern district, New York, p. 8, Vol. 15, Record.)

The law under which the national banks are incorporated does not exempt them from examination by the internal-revenue officers mentioned in section 3177 of the Revised Statutes; but the authority of such officers to make examinations can not be delegated to their clerks. (Decision by Judge Cadwalader, p. 235, Vol. 22, Record.)

In an opinion of the Solicitor of the Treasury, Bluford Wilson (21 Record, p. 147), he held that an internal-revenue officer has a right to examine national banks for unstamped checks. But the Commissioner of Internal Revenue, by Circular No. 134, directs that the examination be made by bank examiners, under the direction of the Comptroller of the Currency, and not by officers of internal revenue. (P. 313, Vol. 21, Record.)

It has been held by the Supreme Court (United States *v.* Mason, 24 Record, p. 20) that under section 3177 of the Revised Statutes the collector, deputy collector, and inspector may not enter a place of business to examine bank checks, unless it is alleged and proved that such bank checks were not duly and sufficiently stamped at the time they were made, signed, and issued. This, however, does not affect the question of the collector's power to so enter, under section 1, act of August 15, 1876 (sec. 3163*a*, Compilation of 1889).

Collectors may examine premises to see that all laws and regulations relating to the collection of internal taxes are faithfully executed and complied with.

Section 1 of the act of August 15, 1876 (sec. 3163*a*, Compilation of 1889), empowers every collector of internal revenue within his district, for the purpose of seeing that all laws and regulations relating to the collection of internal taxes are faithfully executed and complied with, and for the purpose of aiding in the prevention, detection, and punishment of any frauds in relation thereto, and for examination into the efficiency and conduct of all officers of internal revenue, to examine all persons, books, papers, accounts, and premises; to administer oaths, and to summon any person to produce books and papers, or to appear and testify under oath before him, and to compel a compliance with such summons, in the same manner as he may do under sections 3173, 3174, and 3175, Revised Statutes.

Section 3178, Revised Statutes, requires that returns shall show whether amounts are valuations in coin or currency. This requirement is now only important as regards returns for taxes which accrued prior to the date of resumption of specie payments, January 1, 1879, when there was a difference between the values of currency and coined money.

Taxable property owned by nonresidents.

Section 3180, Revised Statutes, requires that—

Whenever there are in any district any articles not owned or possessed by or under the care or control of any person within such district, and liable to be taxed, and of which no list has been transmitted to the collector, as required by law, the collector or one of his deputies shall enter the premises where such articles are situated and shall take such view thereof as may be necessary, and make lists of the same, according to the form prescribed. Said lists, being subscribed by such collector or deputy, shall be taken as sufficient lists of such articles for all purposes.

Lists or returns—when taken and how denominated.

Under section 3181, Revised Statutes, as amended by the act of February 18, 1875—

The lists of returns aforesaid shall, where not otherwise specially provided for, be taken with reference to the day fixed for that purpose by this title as aforesaid; and where duties accrue at other and different times, the list shall be taken with reference to the time when said taxes become due, and shall be denominated annual, monthly, and special lists or returns.

II.

TAXES ON ARTICLES AND OCCUPATIONS.

(1.)

TAXES NOT PAYABLE BY STAMPS.

All taxes not payable by stamps must be assessed. In the subjoined lists these taxes have been arranged into two general classes, viz, those imposed by Title XXXV, Revised Statutes, and subsequent acts now in force, and those accrued or accruing under repealed laws.

Taxes not payable by stamps, imposed by Title XXXV, Revised Statutes, and subsequent acts now in force.

Tax on deficiencies in production of spirits.....See page.. 14
Tax on excess of materials used in production of spirits.....do..... 14
Tax on circulation of banks and bankers.....do..... 22
Tax on notes paid out by banks and others.....do..... 23
Penalties of 50 per cent and 100 per cent.....do..... 26

ASSESSMENTS FOR DEFICIENCIES, AND FOR EXCESS OF MATERIALS USED, IN THE PRODUCTION OF DISTILLED SPIRITS.

Section 3309, Revised Statutes, as amended by section 12 of an act approved March 3, 1875, requires that—

On the receipt of the distiller's return in each month, the Commissioner of Internal Revenue shall inquire and determine whether the distiller has accounted for all the grain or molasses used, and all the spirits produced by him in the preceding month. If he is satisfied that the distiller has reported all the spirits produced by him, and the quantity so reported is found to be less than eighty per centum of the producing capacity of the distillery as estimated according to law, he shall make an assessment for such deficiency at the rate of ninety cents for every proof-gallon. In determining the quantity of grain used, fifty-six pounds shall be accounted as a bushel; and if the Commissioner finds that the distiller has used any grain or molasses in excess of the capacity of his distillery as estimated according to law, he shall make an assessment against the distiller at the rate of ninety cents for every proof-gallon of spirits that should have been produced from the grain or molasses so used in excess, which assessment shall be made whether the

quantity of spirits reported is equal to or exceeds eighty per centum of the producing-capacity of the distillery. If the Commissioner finds that the distiller has not accounted for all the spirits produced by him, he shall, from all the evidence he can obtain, determine what quantity of spirits was actually produced by such distiller, and an assessment shall be made for the difference between the quantity reported and the quantity shown to have been actually produced, at the rate of ninety cents for every proof-gallon: *Provided*, That the actual product shall be assumed to be in no case less than eighty per centum of the producing capacity of the distillery as estimated according to law.

* * * * * * *

GRAIN AND MOLASSES DISTILLERIES.*

The capacity of a distillery is fixed by survey as provided by law (section 3264, Revised Statutes, as amended by section 5 of the act of March 1, 1879, p. 108, Compilation of 1889), and by regulations made in pursuance of law. (See Regulations, Series 7, No. 7, Revised, pp. 17 to 22, 49, and 52.

The mode of determining 80 per cent of the producing capacity of the distillery *for the month* is by multiplying the number of gallons fixed by the survey as the product for twenty-four hours by the number of days on which the distillery was in operation during the month, or under the law was deemed to be in operation. Eighty per cent of this product is 80 per cent of the capacity as determined by the survey. See as to suspension and resumption of work at distilleries, section 3310, Revised Statutes (p. 131, Compilation of 1889), and Regulations, Series 7, No. 7, Revised, pages 46, 47, and 48, and as to reduction of capacity, section 3311, Revised Statutes (p. 131, Compilation of 1889), and page 49 of Regulations, Series 7, No. 7, Revised.

Under the statute, as construed by the United States Supreme Court in the case of Stoll *et al. v.* Pepper (25 Record, p. 2), the following is the correct mode of computing the tax on distilled spirits in cases where grain or molasses is used in excess of the quantity allowed by the survey:

First. Divide the whole number of the gallons of the reported product of the month by the whole number of bushels of grain used during the month. The quotient, so found, will show the reported product of each and every bushel of such grain. Then multiply that quotient, *i. e.*, the reported product of 1 bushel, by the number of bushels of grain allowed by the survey. The result will show the reported product of all the grain so allowed. If that reported product equals or exceeds 80 per cent of the surveyed capacity of the distillery, and the entire actual product has been reported, there exists no liability to assessment for or on account of the grain used under the survey. But if that reported product is less than 80 per cent of such capacity, there is liability to an assessment for the deficiency.

* These regulations apply to all distilleries except those in which brandy is made from apples, peaches, or grapes exclusively.

Second. If the reported product per bushel, found as above, is less than the full statutory estimate of the producing capacity per bushel, multiply the number of bushels of grain used in excess of the surveyed capacity by the difference between such reported product and such statutory estimate. The result will show the quantity upon which an assessment is to be made for and on account of the grain used in excess.

The legal tax will thus be realized (1) upon the entire actual product of the grain used under the survey, but in no case on less than 80 per cent of the surveyed capacity; and (2) upon the entire actual product of the grain used in excess of the survey, but in no case on less than 100 per cent of the statutory estimate of the producing capacity of the grain so used.

The foregoing rule applies equally to molasses distilleries, gallons of molasses being substituted for bushels of grain. (Circular No. 195, January 2, 1879, 25 Record, p. 1.)

Whenever there is a fraction of a bushel of grain used in excess, which, multiplied by the surveyed yield, would make less than 1 gallon, such fraction will not be treated as an excess to be computed under Circular No. 195.

The manner of computing the deficiency tax on distilled spirits in cases where grain or molasses is not used in excess of the quantity allowed by the survey is as follows :

If the 80 per cent exceeds the reported product, then an assessment must be made for the balance. If the amount actually produced is found to be correctly reported, and the amount so reported is less than 80 per cent of the capacity as determined from the survey, the difference between the reported product and 80 per cent will be assessed. On this point the law is imperative. But if the amount actually produced and reported equals or exceeds the 80 per cent, no assessment is to be made. Where, however, it is found that the distiller has actually produced more than he has reported or accounted for, and this amount exceeds the 80 per cent, the assessment is to be made upon the difference between the amount so found and the reported product, even though the reported product exceeds the 80 per cent, because the distiller should pay upon all the spirits produced by him. (See pp. 68, 69, and 70, Series 7, No. 7, Revised.)

In order that there may be no unnecessary delay in making such assessments, collectors are hereby instructed to take such steps as will secure the forwarding of the distiller's returns and the gauger's and storekeeper's reports within the time prescribed by law, which reports and returns should be carefully examined by the collector, in order to satisfy himself that they are correct, and to ascertain as to what assessments, if any, should be made against the distiller on account of deficiencies or excess of materials used in the production of distilled spirits If liability to such assessments is ascertained by the collector, he should immediately give the distiller an opportunity to submit any valid reason which may exist why the tax apparently due should not be assessed,

which reason should be communicated to this office, with such recommendation as the facts in the case may, in the opinion of the collector, warrant. The collector will report such taxes, on Form 23, for assessment, without awaiting special instructions, on Office Form 246, from this office, unless the deficiency or excess is less than a whole gallon.

FRUIT BRANDY DISTILLERS.

Assessments for deficiencies.

Under the provisions of section 3182 and 3309, Revised Statutes, it becomes the duty of the Commissioner of Internal Revenue to make the inquiries, determinations, and assessments against distillers imposed by section 3309, Revised Statutes, and, in order that there may be no unnecessary delay in making such assessments, collectors are hereby instructed to take such steps as will secure the forwarding of the distiller's returns on Form 15, and the gauger's report on Form 59½, within the time prescribed by law, which reports will be carefully examined by the collector, in order to satisfy himself that they are correct.

(Section 3309, Revised Statutes, as amended.) On the receipt of the distiller's return, Form 15, in each month, the Commissioner will inquire and determine whether said distiller has accounted in his return for the preceding month for all the brandy produced by him. If the quantity so reported by the distiller is less than 80 per cent of the surveyed capacity of the distillery for the time run and material used, the Commissioner will assess the distiller 90 cents per proof gallon for every gallon of such deficiency. If the Commissioner finds, upon an examination, that the distiller has not reported all spirits actually produced by him during the month, he will ascertain the quantity actually produced and make assessment therefor; provided that the actual product shall be assumed to be in no case less than 80 per cent of the producing capacity of the distillery as estimated under the provisions of law.

In determining the quantity actually produced, the Commissioner will ascertain the kind and quantity of materials used, and the time operated, and determine such quantity therefrom on the basis of the spirit-producing capacity of the materials used as fixed in the survey.

The time will be arrived at by aggregating the hours run each month and dividing by 24, and in case of a fraction, such fraction shall be reckoned at its proportionate part of the surveyed daily capacity. In the absence of a satisfactory return of the material used and time operated, he will base his estimate of actual production upon the surveyed capacity of the distillery for the period which it is ascertained it was operated, fixing the production at the full capacity thereof.

When two or more kinds of materials are used on the same calendar day, the computation as to capacity for the number of hours operated during that day will be on the basis of the capacity fixed for the most productive material. (See Regulations, Series 7, No. 7, Revised, pp. 150 to 164, for full instructions.)

STATUTORY RELIEF IN CASE OF ASSESSMENTS PROPOSED OR MADE UNDER SECTION 3309, REVISED STATUTES.

Assessments for deficiencies and excess of material used.

Section 6 of the act of March 1, 1879, besides amending section 3221, Revised Statutes, contains the following provisions:

That whenever, under the provisions of section thirty-three hundred and nine of the Revised Statutes, an assessment shall have been made against a distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law, or for the tax upon the spirits that should have been produced from the grain, or fruit, or molasses found to have been used in excess of the capacity of his distillery for any month, as estimated according to law, such excessive use of grain, or fruit, or molasses having arisen from a failure on the part of the distiller to maintain the capacity required by law to enable him to use such grain, or fruit, or molasses without incurring liability to such assessment, and it shall be made to appear to the satisfaction of the Commissioner of Internal Revenue that said deficiency, or that said failure, whereby such excessive use of grain, molasses, or fruit arose, was not occasioned by any want of diligence or by any fraudulent purpose, on the part of the distiller, but from misunderstanding as to the requirements of the law and regulations in that respect or by reason of unavoidable accidents, then, and in such case, the Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury is authorized, on appeal made to him, to remit or refund such tax, or such part thereof as shall appear to him to be equitable and just in the premises: *Provided*, That no tax shall be remitted or refunded under the provisions of this section upon any assessment made prior to January first, eighteen hundred and seventy-four.

An additional reason for prompt action in reporting these matters in the case of fruit distillers is the proviso in section 6 of the act of March 1, 1879:

That no assessment shall be charged against any distiller of fruit for any failure to maintain the required capacity, unless the Commissioner shall, within six months after his receipt of each monthly report notify such distiller of such failure so to maintain the required capacity.

It will be observed that the above-quoted portions of section 6, except the last proviso thereof, confer authority, under certain conditions, upon the Commissioner of Internal Revenue to abate or refund certain taxes assessed under the provisions of section 3309, Revised Statutes. They are, however, inserted in this connection, inasmuch as the authority conferred upon the Commissioner to abate or refund a tax already assessed would appear, without express provision to the contrary, to afford him the necessary authority to refrain from an assessment under a like state of facts.

In order, therefore, that the Commissioner may be placed in possession of all the essential facts in case of any proposed assessment under section 3309, the collector will, unless the interests of the Government shall

require an immediate assessment, upon receipt from the Commissioner of a list (Office Form 246) of such proposed assessments, notify the distiller against whom the assessment is contemplated, and afford him an opportunity to point out any error in computation which he may discover, and also to furnish evidence that the use of grain, fruit, or molasses by the distiller in excess of the capacity of the distillery has arisen from a failure on the part of the distiller to maintain the capacity required by law, and that the deficiency in production or the failure to maintain the capacity, as the case may be, was not occasioned by any want of diligence or by any fraudulent purpose on the part of the distiller, but was the result of a misunderstanding on his part as to the requirements of the law and regulations in that respect, or was occasioned by an unavoidable accident.

In case such evidence, sufficient to satisfy the Commissioner that such deficiency or failure to maintain the capacity was occasioned by a misunderstanding of the law or regulations, or by an unavoidable accident, and not by any want of diligence or fraudulent purpose of the distiller, is forwarded to the Commissioner within thirty days after the Office Form 246 is transmitted to the collector, the assessment will be omitted; otherwise the assessment will be made on the next ensuing monthly list, provided such satisfactory evidence is not received in time for consideration prior to the day on which such list is made up and forwarded to the collector. Such evidence, received after the expiration of the thirty days, if not received in time to be considered before the list is forwarded to the collector, will be considered in connection with any claim for abatement (Form 47) or refund (Form 46) which may be subsequently forwarded by the distiller through the collector. The evidence furnished by the distiller must be in the form of affidavits, and must be taken under the conditions prescribed by Circulars Nos. 317 and 399, and must be accompanied by the sworn statements of the storekeeper and gauger on duty at the distillery during the month in which the deficiency in production or excessive use of material occurred.

In case it is claimed that such deficiency or excess was occasioned by reason of unavoidable accident the storekeeper and gauger will, if cognizant of the facts, state (1) the nature and origin or cause of the accident and the circumstances connected with the same; (2) what efforts were made by the distiller and his employés or agents at the time of the accident to prevent its occurrence; and (3) what precautions were taken by the distiller, his employés, or agents prior to the accident to guard against its occurrence, and (4) whether the accident was in any way attributable to any want of care, caution, attention, diligence, skill, discretion, or by fraudulent purpose on the part of the distiller or any of his employés or agents.

The affidavits of the distiller and of others who may testify should also set forth (1) the nature and origin of the accident, and (2) such other facts as will assist the Commissioner in determining whether the

cause of the deficiency or failure was an accident, and (3) whether occasioned by any fraudulent purpose or want of diligence. If it is claimed that the deficiency or excess was occasioned by misunderstanding on the part of the distiller as to the requirements of the law and regulations, the affiants will testify (1) as to what opportunity the distiller had for information on these points; (2) they will also, in all cases, testify as to what efforts were made by the distiller and his employés and agents to maintain the capacity or to avoid the deficiency (*a*) during the month in which the failure or deficiency occurred, also (*b*) prior to the month in which the failure or deficiency occurred; (3) whether, in their opinion, such deficiency in production or failure to maintain the capacity, whereby the excessive use of material occurred, was occasioned by any want of diligence or by fraudulent purpose on the part of the distiller or his agents or employés; and the collector, in forwarding the evidence to the Commissioner, will also state his opinion on these points, and as to the propriety of omitting to make the assessment or any part thereof, as may appear to him to be equitable and just.

In order to avoid expense and loss of time in the preparation of applications for relief in cases where the applicant is not entitled to relief, collectors will call attention to certain legal constructions which have been placed upon the terms, "accidents," "unavoidable accidents," and "diligence," and which constructions must guide this office in the consideration of such applications, viz:

ACCIDENTS.

In determining what shall be considered an accident, it is held that not only will inevitable casualties or acts of Providence, or what may be called irresistible forces, be considered, but such unforeseen events, misfortunes, losses, acts, or omissions as are not the results of any negligence or misconduct on the part of the distiller or owner of distilled spirits, or their agents or employés.

If the facts relied upon resulted from the operations of nature, they must be something out of the ordinary course of things. It can not be considered an accident that the sun shines, that it rains, snows, freezes, thaws—that a river rises or falls at certain seasons of the year—that water becomes warm in the summer and cold in the winter. If either of these ordinary processes of nature is adduced as a reason why a tax should be abated, it must affirmatively appear that the change was so sudden and severe that it was out of the ordinary course of events, and, therefore, could not be provided against.

When a case of accident of the above character occurs, the distiller must at once give notice to the collector or deputy collector, so that the facts can be investigated and reported upon, and the immediate action of this office be had upon the question of suspending work.

UNAVOIDABLE ACCIDENTS.

In placing a construction upon the words "*unavoidable accidents*," as they relate to the operations of distilleries, it will be necessary to consider the facts and circumstances relied upon as grounds of relief in each case. The act of March 1, 1879, requires due diligence on the part of the distiller and his agents and servants, and if the circumstances relied upon were the result of the negligence or misconduct of the distiller, or his agent or servant, he will have no claim to relief.

DILIGENCE.

Diligence is the doing of things in proper time. As the opposite of negligence, it signifies, primarily, care, caution, attention, promptitude, skill, or discretion, in the performance of an act.

Release from assessments for deficiencies caused by destruction of spirits.

The amendment, by section 8 of the act of May 28, 1880, to section 6 of the act of March 1, 1879, reads as follows:

And the Commissioner of Internal Revenue upon the production to him of satisfactory proof of the actual destruction, by accidental fire, or other casualty, and without any fraud, collusion, or negligence of the distiller of any spirits in process of manufacture or distillation, or before removal to the distillery warehouse, shall not assess the distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law when the deficiency is occasioned by such destruction, nor shall he, in such case, assess the tax on the spirits so destroyed.

The amendment consists in the introduction into the body of the section of the provision directing the Commissioner of Internal Revenue, upon the production to him of satisfactory proof of the actual destruction, by accidental fire or other casualty, and without any fraud, collusion, or negligence of the distiller, of any spirits in process of manufacture or distillation, or before removal to the distillery warehouse, not to assess the distiller for a deficiency in not producing 80 per cent of the producing capacity of the distillery, as established by law, when the deficiency is occasioned by such destruction; also directing the Commissioner, in such case, not to assess the tax on the spirits so destroyed.

The direction to the Commissioner to omit an assessment for a deficiency under the circumstances just stated is coupled with the conditions as to the destruction being accidental and without fraud, collusion, or negligence of the distiller, as in the case of one class of allowances provided for in said section 6, as originally enacted.

Statutory relief as to fruit brandy deficiencies caused by accident or misunderstanding.

Distillers of brandy from apples, peaches, or grapes will be notified by the Commissioner, on Office Form 245, when deficient in the production of brandy. This notice will state the number of gallons and

the amount of tax due thereon and that such tax will be assessed unless the distiller shows by satisfactory evidence that he is entitled to relief on the ground of unavoidable accident or a misunderstanding of the law or regulations (under the provisions of section 6, act of March 1, 1879, as amended by section 8, act of May 28, 1880, pp. 130 and 131, Compilation of 1889), or on the ground of error in the computation.

Distillers should at once reply to such notices on Office Form 245, giving their reasons, if any, why such proposed assessments should not be made, and stating when they propose to submit evidence. Thirty days are allowed distillers to furnish such evidence prior to assessment, the time being reckoned from the date of the receipt of the notice by them. If in any case the evidence is not received prior to assessment, the evidence may be considered in connection with a claim for abatement, on Form 47, or for refunding, on Form 46. (See instructions in Circulars No. 317 and 399, and on p. 19 of these Regulations.)

When fruit brandy is not removed from the distillery for deposit in a special bonded warehouse, as provided by the act of March 3, 1877, as amended by the act of October 18, 1888, or when the tax thereon is not paid before the expiration of four months from the tenth day of the month succeeding that in which the brandy was gauged, the collector will report the tax for assessment on the first list, Form 23, prepared after such four months expire, and in case of delay in gauging, not later than four months after the tenth day of the month succeeding the month in which the brandy was produced.

Collectors are particularly instructed to supply their deputies with Circular No. 399, and to see that the requirements of the same are promptly attended to. The evidence forwarded to the collector should be given in detail in order to determine to what extent relief may be granted.

Collectors will inform applicants for relief from proposed assessments under section 3309, Revised Statutes, that, unless the several statements furnished by them are sworn to before a collector, deputy collector, or an officer duly qualified to administer oaths and having a seal of office, their statements can not be considered by this office; nor will final action in such cases be taken until the opinion and recommendation of the collector are also received. Special attention is called to this matter, as a majority of the claims for relief heretofore received have been defective, in that the accompanying statements have not been properly sworn to, or the collector's opinion and recommendation have not been furnished.

Assessments of taxes on circulation of banks and bankers and on notes paid out.

DEFINITION OF A BANK OR BANKER.

Section 3407, Revised Statutes, provides that—

Every incorporated or other bank, and every person, firm, or company having a place of business where credits are opened by the de-

posit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or for sale, shall be regarded as a bank or as a banker.

TAX ON CIRCULATION.

Section 3408, Revised Statutes, provides that—

There shall be levied, collected, and paid, as hereinafter provided:

* * * * * * *

Third. A tax of one-twelfth of one per centum each month upon the average amount of circulation issued by any bank, association, corporation, company, or person, including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and an additional tax of one-sixth of one per centum each month upon the average amount of such circulation, issued as aforesaid, beyond the amount of ninety per centum of the capital of any such bank, association, corporation, company, or person.

In the case of banks with branches, the tax herein provided shall be assessed upon the circulation of each branch severally, and the amount of capital of each branch shall be considered to be the amount allotted to it.

ADDITIONAL TAX OF TEN PER CENT ON NOTES USED FOR CIRCULATION, AND PAID OUT.

Section 3412, Revised Statutes, provides that—

Every national banking association, State bank, or State banking association, shall pay a tax of ten per centum on the amount of notes of any person, or of any State bank or State banking association, used for circulation and paid out by them.

Section 3413, Revised Statutes, provides that—

Every national banking association, State bank, or banker, or association, shall pay a tax of ten per centum on the amount of notes of any town, city, or municipal corporation, paid out by them.

Section 19 of the act of February 8, 1875, provides—

That every person, firm, association other than national bank associations, and every corporation, State bank, or State banking association, shall pay a tax of ten per centum on the amount of their own notes used for circulation and paid out by them.

Section 20 of the same act provides—

That every such person, firm, association, corporation, State bank, or State banking association, and also every national banking association, shall pay a like tax of ten per centum on the amount of notes of any person, firm, association other than a national banking association, or of any corporation, State bank, or State banking association, or of any town, city, or municipal corporation, used for circulation and paid out by them.

The classes of notes subject to the tax of 10 per cent, when paid out, are described in sections 3412 and 3413, Revised Statutes, and sections 19 and 20 of the act of February 8, 1875, which latter sections took effect on the date of the act, and include notes or obligations solvable in merchandise. (See Opinion of the Attorney-General, of May 22, 1879, published in Vol. 25, Internal-Revenue Record, p. 167.)

The tax upon notes used for circulation is limited to obligations payable in money and does not affect those payable in anything else than money. (Hollister *v.* Zion's Coöperative Mercantile Ins. Co., 111 U. S., 62; 30 Int. Rev. Rec., 111. See references on pp. 188 and 189, Compilation of 1889, relative to the relief act of March 3, 1875, and as to "Wages Certificates," the Glass Manufacturers' cases, and as to notes of Canadian banks.)

RETURN TO BE MADE SEMIANNUALLY, VERIFIED BY OATH.

Section 3414, Revised Statutes, provides that—

A true and complete return of the monthly amount of circulation, * * * as aforesaid, and of the monthly amount of notes of persons, town, city, or municipal corporation, State banks, or State banking associations paid out as aforesaid for the previous six months, shall be made and rendered in duplicate on the first day of December and the first day of June, by each of such banks, associations, corporations, companies, or persons, with a declaration annexed thereto, under the oath of such person, or of the president or cashier of such bank, association, corporation, or company, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, that the same contains a true and faithful statement of the amounts subject to tax, as aforesaid; and one copy shall be transmitted to the collector of the district in which any such bank, association, corporation, or company is situated, or in which such person has his place of business, and one copy to the Commissioner of Internal Revenue.

PENALTY FOR NEGLECT.

Section 3415, Revised Statutes, provides that, in default of the returns above required, the amount of * * * notes subject to a tax of ten per cent as aforesaid, shall be estimated by the Commissioner of Internal Revenue, upon the best information he can obtain; "and for any refusal or neglect to make return and payment, any such bank, association, corporation, company, or person so in default shall pay a penalty of two hundred dollars, besides the additional penalty and forfeitures provided in other cases."

TAX TO BE PAID SEMIANNUALLY.

Section 3409, Revised Statutes, provides that—

The taxes provided in the preceding section [section 3408] shall be paid semiannually, on the first day of January and the first day of July; but the same shall be calculated at the rate per month as prescribed by said section, so that the tax for six months shall not be less than the aggregate would be if such taxes were collected monthly.

Section 21 of the act of February 8, 1875 (section 3413 *c*, Compilation of 1889), provides, as to the 10 per cent tax on notes used for circulation and paid out—

That the amount of such circulating notes, and of the tax due thereon, shall be returned, and the tax paid at the same time, and in the same manner, and with like penalities for failure to return and pay the same, as provided by law for the return and payment of taxes on * * * circulation, imposed by the existing provisions of internal revenue law.

Section 22 of an act entitled "An act to amend the laws relating to internal revenue," approved March 1, 1879 (section 3409 *a*, Compilation of 1879), provides—

That whenever and after any bank has ceased to do business by reason of insolvency or bankruptcy, no tax shall be assessed or collected, or paid into the Treasury of the United States, on account of such bank, which shall diminish the assets thereof necessary for the full payment of all its depositors.

Instructions in regard to making returns by banks and bankers on Form 67.

1. The return must be made in duplicate, by the president or cashier, member of firm or banker, on the 1st day of June and the 1st day of December.

2. The return must be sworn to before the collector or a deputy collector of the district in which the bank or banker is located, or before an officer with a seal, duly authorized to administer oaths.

3. One copy of the return will be delivered to the collector, or his deputy, and one mailed to the Commissioner of Internal Revenue.

4. The particulars relating to each subject of taxation must be stated for each month, opposite the name of that month.

5. If there is nothing to report, the officer must indicate the fact by writing "0" in the proper place.

6. *If the person, firm, or corporation making the return commences or discontinues business during the period covered by the return, the date of such commencement or discontinuance must be stated in red ink across the face of the return.*

7. The first return will include the month in which business is commenced, and the last return will include the month in which business is discontinued. Liability continues as long as any business described in section 3407, Revised Statutes, is done. If the discontinuance in the case of a bank is in consequence of its insolvency or bankruptcy, and it is claimed that the collection of the tax shown to be due by the return will diminish the assets of the bank necessary for the full payment of all its depositors, the return should be accompanied by a sworn statement of the president, cashier, receiver, or assignee as to its assets and liabilities, in such form or manner as will clearly show what portion of the tax, if any, could be paid without diminishing the assets necessary for the full payment of the depositors.

8. Taxable circulation is defined in section 3408. The tax imposed on circulation by said section is a monthly tax on the average amount, ascertained from daily balances.

9. The classes of notes subject to the tax of 10 per cent, when paid out, are described in sections 3412 and 3413, Revised Statutes, and sections 19 and 20 of the act of February 8, 1875, which latter sections took effect on the date of the act. The tax upon notes used for circulation is limited to obligations payable in money. (See references under section 20, act of February 8, 1875, *ante.*)

10. The exemption of 5 per cent under section 3411, Revised Statutes, is an exemption from the tax on circulation imposed by said section 3408, but under no circumstances is it an exemption from the tax imposed by sections 3412 and 3413, and sections 19 and 20 of the act of February 8, 1875, aforesaid. (See Opinion of Attorney-General, Internal-Revenue Record, Vol. 16, p. 57.)

11. The phrase, "State banking association," used in section 3412, Revised Statutes, includes not only associations organized under State banking laws, but also associations or partnerships formed under private agreement for the purpose of carrying on the business of banking. (See Opinion of Attorney-General, Internal-Revenue Record, Vol. 19, p. 67.)

Assessment of penalties.

The penalty of 50 per cent accrues in every case where there is a refusal or neglect to render any list or return required by law, as by banks, bankers, and special taxpayers, and a penalty of 100 per cent accrues where the return is false or fraudulent. (See sections 3173 and 3176, Revised Statutes, as amended by section 3, act of March 1, 1879, and section 53, act of October 1, 1890.) And it is the duty of the Commissioner of Internal Revenue to assess either or both of said penalties whenever found due. The general provision of the law as to the time of rendering returns is that each return shall be rendered on the day fixed as to that class of returns by the statute; but the law makes an exception in case of sickness or absence. In case of neglect occasioned by the sickness or absence of the person whose duty it is to make the return, the collector may allow such further time for making and delivering such list and return as he may deem necessary, not exceeding thirty days.

In case of the refusal of a taxpayer, as a bank, banker, or special taxpayer, to make a return, a penalty of 50 per cent of the amount of tax ascertained to be due will be assessed; in case a return, apparently true, is rendered by the taxpayer, but is not rendered at or within the time required by law, a penalty of 50 per cent of the tax will be assessed; in case a false or fraudulent return is rendered, a penalty of 100 per cent of the amount of tax due over and above the amount shown by the false or fraudulent return will be assessed.

There is no column specially provided on Form 23 for the use of collectors in which to report unpaid penalties. But collectors will note the facts as to false or fraudulent returns, and as to neglect or refusal in rendering returns, in column 7 of "Remarks." Also, if, upon the return of a list of assessments, any collector discovers that a penalty which should have been assessed has not been assessed, he will immediately report the fact to this office and enter the name of the taxpayer on his next monthly list, Form 23, for the assessment of the penalty.

In case of banks and bankers, where the semiannual return, due on the 1st of June or the 1st of December, is not made during the month of June or of December, as the case may require, the 50 per cent penalty will be assessed.

In case of special taxpayers, where the return is not made prior to or during the calendar month in which liability to tax accrues, the 50 per cent penalty will be assessed, unless the collector excuses the taxpayer, not to exceed thirty days, on account of sickness or absence.

These penalties (50 per cent and 100 per cent) should not be demanded prior to the assessment thereof. The collector may, however, receive such penalties when tendered prior to assessment, provided he is satisfied that the same are due and assessable.

The annexed table of special taxes and of 50 per cent penalties imposed by law, is published for the purpose of enabling collectors to determine, at a glance, the amount of tax and penalty to be reported for assessment, as to each class of special taxes, and for any given number of months, ranging from one to twelve, inclusive.

The exact amount of tax or penalty, except where a fractional part of a cent is involved, is stated in the table, and in no case does the amount stated vary more than a half cent from the exact amount.

Collectors will be guided by this table in their reports in columns 4, 6 and 12, Form 23, unless two amounts are to be reported on one list, say each of $3.12½, in which case one should be reported as $3.12 and the other as $3.13; and all such cases may be disposed of in a similar manner—that is, by dropping the fraction in one case and adding it in the other.

Any collection in excess of the amount shown by the table will be included in Form 58; and if any such excess, reported by the collector on Form 58, applies to any item in column 12 on Form 23, THE PAGE AND LINE OF FORM 23 MUST BE INDICATED ON FORM 58; *otherwise, such excess may be added to Form 58, in this Office.*

Table of special taxes and 50 per cent penalties.

Commencing business in—	No. of months liable.	Tax or penalty.	Annual rate, in dollars and cents.							
			$20.	$25.	$48.	$50.	$100.	$200.	$480.	$600.
June	1	Tax	$1.67	$2.08	$4.00	$4 17	$8.33	$16.67	$40.00	$50.00
		Penalty	.83	1.04	2.00	2.08	4.17	8.83	20.00	25.00
May	2	Tax	3.33	4.17	8.00	8.33	16.67	33.33	80.00	100.00
		Penalty	1.67	2.08	4.00	4.17	8.33	16.67	40.00	50.00
April	3	Tax	5.00	6.25	12.00	12.50	25.00	50.00	120.00	150.00
		Penalty	2.50	3.13	6.00	6.25	12.50	25.00	60.00	75.00
March	4	Tax	6.67	8.33	16.00	16.67	33.33	66.67	160.00	200.00
		Penalty	3.33	4.17	8.00	8.33	16.67	33.33	80.00	100.00
February	5	Tax	8.33	10.42	20.00	20.83	41.67	83.33	200.00	250.00
		Penalty	4.17	5.21	10.00	10.42	20.83	41.67	100.00	125.00
January	6	Tax	10.00	12.50	24.00	25.00	50.00	100.00	240.00	300.00
		Penalty	5.00	6.25	12.00	12.50	25.00	50.00	120.00	150.00
December	7	Tax	11.67	14.58	28.00	29.17	58.33	116.67	280.00	350.00
		Penalty	5.83	7.29	14.00	14.58	29.17	58.33	140.00	175.00
November	8	Tax	13.33	16.67	32.00	33.33	66.67	133.33	320.00	400.00
		Penalty	6.67	8.33	16.00	16.67	33.33	66.67	160.00	200.00
October	9	Tax	15.00	18.75	36.00	37.50	75.00	150.00	360.00	450.00
		Penalty	7.50	9.38	18.00	18.75	37.50	75.00	180.00	225.00
September	10	Tax	16.67	20.83	40.00	41.67	83.33	166.67	400.00	500.00
		Penalty	8.33	10.42	20.00	20.83	41.67	83.33	200.00	250.00
August	11	Tax	18.33	22.92	44.00	45.83	91.67	183.33	440.00	550.00
		Penalty	9.17	11.46	22.00	22.92	45.83	91.67	220.00	275.00
July	12	Tax	20.00	25.00	48.00	50.00	100.00	200.00	480.00	600.00
		Penalty	10.00	12.50	24.00	25.00	50.00	100.00	240.00	300.00

(2.)

TAXES PAYABLE BY STAMPS.

These taxes are only assessable when not paid by stamp at the time and in the manner required by law. The tax on spirits produced and removed from the place where they were distilled and not deposited in bonded warehouse as required by law is included in this list for the reason that the section (3253, Revised Statutes) levying this tax was evidently intended to secure the payment of the gallon tax which is payable by stamps.

Special taxes ..... See page 28
Distilled spirits ..... " 42
Manufactured tobacco and snuff ..... " 45
Cigars, cheroots, and cigarettes ..... " 45
Fermented liquors ..... " 46
Oleomargarine ..... " 47
Opium ..... " 47

SPECIAL TAXES.

The following are the special taxes now imposed by law, to wit:

Brewers of less than 500 barrels ..... $50—See page 31
Brewers of 500 barrels or more ..... 100 " 31
Manufacturers of stills ..... 50 " 31
And for each still manufactured ..... 20 " 31
And for each worm manufactured ..... 20 " 31
Rectifiers of less than 500 barrels ..... 100 " 32

Rectifiers of 500 barrels or more	$200	See page	32
Dealers, retail liquor	25	"	35
Dealers, wholesale liquor	100	"	38
Dealers in malt liquors, only retail	20	"	40
Dealers in malt liquors, wholesale	50	"	40
Retail dealers in oleomargarine	48	"	41
Wholesale dealers in oleomargarine	480	"	41
Manufacturers of oleomargarine	600	"	41

Instructions, rulings, and decisions applicable to all special taxes.

No person can lawfully be engaged in or carry on any trade or business hereinbefore mentioned until he has paid the special tax therefor imposed by section 3244. (See section 3232.) Every person engaged in any trade or business on which a special tax is imposed by law is required to register with the collector of the district his name or style, place of residence, trade or business, and the place where such trade or business is carried on. In case of a firm or company, the names of the several persons constituting the same, and their places of residence, should be so registered. (Section 3233.) Any number of persons doing business in copartnership in one place are required to pay but one such tax. (Section 3234.) The payment of the special tax imposed does not exempt from an additional special tax the person carrying on a trade or business in any other place than that stated in the collector's register; but this provision does not require a special tax for the storage of goods, wares, or merchandise in any other place than the place of business, nor for the sale by manufacturers or producers, except as otherwise provided, of their own goods, wares, and merchandise at the place of production or manufacture, and at the principal office or place of business, provided no goods, wares, or merchandise shall be kept except as samples at said office or place of business. (Section 3235.)

Whenever more than one of the pursuits or occupations for which a special tax is required to be paid are carried on in the same place by the same person at the same time, the tax shall be paid for each according to the rates prescribed. (Section 3236.)

All special taxes become due on the first day of July in each year, or on commencing any trade or business on which such tax is imposed. In the former case the tax must be reckoned for one year, and in the latter case it shall be reckoned proportionately from the first day of the month in which the liability to special tax commenced to the first day of July following. (Section 53, act of October 1, 1890.)

All special taxes imposed by law, including the tax on stills or worms, must be paid by the stamps denoting the tax. (Section 3238.)

Every person engaged in any business or employment who is thereby made liable to a special tax, must place and keep conspicuously in his establishment or place of business all stamps denoting the payment of said special tax. (Section 3239.)

When any person who has paid the special tax for any trade or business, dies, his wife, or child, or executors, or administrators, or other legal representatives, may occupy the house or premises, and in like manner carry on, for the residue of the term for which the tax has been paid, the same trade or business as the deceased before carried on, in the same house, and on the same premises, without the payment of any additional special tax. (Section 3241.)

Any person who removes from the house or premises, for which any trade or business was taxed, to any other place, may carry on the trade

or business specified in the collector's register at the place to which he removes, without the payment of any additional special tax, provided that all cases of death, change, or removal, as aforesaid, with the name of the successor to any person deceased, or of the person making such change or removal, shall be registered with the collector who issued the special-tax stamps, and the collector in whose district the business is to be carried on. (Section 3241.)

The special-tax year commences on the 1st day of July, and ends on the 30th day of June, succeeding.

Applicants for a special tax for a fractional part of a year must calculate from the first day of the month in which they commence business, and must pay to the end of the special-tax year.

Every person or firm liable to special tax must, during the month in which his liability begins, file, and thereafter while thus liable, not later than the 31st day of July of each year, again file with the collector or deputy collector a sworn return on Form 11, and pay to such officer the amount of the tax, when he will be furnished with a *special-tax stamp*, which must be at all times conspicuously displayed in his or their place of business.

Special-tax stamps will be transmitted by mail only on receipt, from the person or firm ordering the same, of specific directions so to do. If it is desired that they be transmitted by *registered* mail, *10 cents* additional should accompany the application.

The rule in regard to a change of firm, published on page 73, Vol. 10, Internal-Revenue Record, is to the effect that a person retiring from business during the year for which he has paid the special tax can not transfer his stamp to the person succeeding him. In view, however, of the decision of the Supreme Court, rendered January 27, 1879, in the case of the United States *v.* Adam Glab, this ruling requiring special tax to be paid by the successor in business of a firm which dissolves before the expiration of the term for which such firm has paid the special tax is modified to this extent:

That where the person or persons succeeding to and carrying on the business for which the dissolved firm has paid special tax belonged to such firm, further special tax should not be exacted of such successor for carrying on the same business, at the same place, or at another place to which the stamp has been transferred under section 3241, Revised Statutes (United States *v.* Davis, 35 Internal-Revenue-Record, 46), for the remainder of the period for which the stamp was issued to the old firm.

But where a person, a member of a firm, carries on the business after the firm's dissolution, and associates with him a person who was not a member of the old firm, the new firm so constituted should be required to pay special tax, and take out a new special-tax stamp, even though the name of such new firm be the same as that of the old. (Decision No. 178.)

Other rulings and decisions not applicable to all special taxes are published herein, immediately following the class of special taxes to which they are applicable.

Instructions, rulings, and decisions relative to the several special taxes.

Special taxes are imposed under the several clauses of section 3244, Revised Statutes, as amended by acts approved February 8, 1875, March 1, 1879, May 28, 1880, August 2, 1886, and October 1, 1890, as follows:

FIRST.

Brewers of less than 500 barrels	$50.00
Brewers of 500 barrels or more	100.00

Every person who manufactures fermented liquors of any name or description for sale, from malt, wholly or in part, or from any substitute therefor, shall be deemed a brewer.

Brewers who have paid special tax as "Brewers of less than 500 barrels," and who, during the same special-tax year, desire to increase their product, should make application for a new stamp of the denomination of $100.

On obtaining this new stamp the brewer may apply to the Commissioner of Internal Revenue, under section 3426, Revised Statutes, for the repayment to him of the value of the fifty-dollar stamp, less 5 per cent deduction therefrom.

No brewer is required to pay a special tax as dealer in malt liquors by reason of selling in the original stamped package, whether at the place of manufacture or elsewhere, malt liquors manufactured by him, or purchased and procured by him in his own casks or vessels under the provisions of section 3349, Revised Statutes. (Section 18, act of February 8, 1875, as amended by section 4, act of March 1, 1879.)

Brewers who, on the brewery premises or at any other place, sell fermented liquors manufactured by themselves or others, in quantities less than 5 gallons, except in the original stamped eighth-barrel package of their own manufacture, will be required to pay the special tax of retail dealers in malt liquors. Brewers, as well as others, who bottle malt liquors for sale are liable as malt-liquor dealers, and are required to pay special tax as wholesale or retail malt-liquor dealers, or as both wholesale and retail malt-liquor dealers, according to the aggregate contents of the whole number of bottles sold at one time.

(See section 3350, Revised Statutes, as to permit to brewer, in case of accident, to carry on business at another place without payment of another special tax.)

SECOND.

Manufacturers of stills	$50.00
And for each still manufactured	20.00
And for each worm manufactured	20.00

Any person who manufactures any still or worm to be used in distilling shall be deemed a manufacturer of stills.

Whenever an old still or worm which has become unfit for use is repaired by the addition of new material to such an extent as to virtually

result in the construction of a new still or worm, the manufacturer thereof will be held liable to the tax of $20 for each still or worm so constructed by him; and when a still is bought by an artisan or other person and repaired to any extent whatever and sold, he is required to pay special tax therefor. (35 Internal-Revenue Record, 133.)

No tax should be required on account of the manufacture of a still of the capacity of 5 gallons or less, unless it shall appear that the still has been in fact used for the purpose of distilling spirits, and that the manufacturer knew, or could with proper inquiry have known, at the time of disposing of such still, that it was intended to be so used.

Stills of a larger capacity than 5 gallons, so constructed as that they can be used for the distillation of spirits, will be presumed to be intended for use in distilling spirits, and their manufacture will be held to incur the taxes imposed by section 3244, Revised Statutes, paragraph "Second," unless this presumption is removed by evidence under oath, filed with the collector, showing that the still is not to be used for the production of spirits, and setting forth, specifically, the actual purposes for which it is to be used. (See ruling of December 13, 1876, Internal-Revenue Record, Vol. 22, p. 397; also 36 Internal-Revenue Record, 285.)

THIRD.

Rectifiers of less than 500 barrels	$100.00
Rectifiers of 500 barrels or more	200.00

Every person who rectifies, purifies, or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort, or wash, through continuous closed vessels and pipes, until the manufacture thereof is complete, and every wholesale or retail liquor dealer who has in his possession any still or leach-tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits, and every person who, without rectifying, purifying, or refining distilled spirits, shall, by mixing such spirits, wine, or other liquor with any materials, manufacture any spurious, imitation, or compound liquors for sale, under the name of whisky, brandy, gin, rum, wines, spirits, cordials, or wine bitters, or any other name, shall be regarded as a rectifier, and as being engaged in the business of rectifying: *Provided*, That any person who rectifies, purifies, refines, or manufactures as aforesaid less than five hundred barrels a year, counting forty gallons of proof spirits to the barrel, shall pay one hundred dollars: *And provided*, That nothing in this section [3244, R. S.] shall be held to prohibit the purifying or refining of spirits in the course of original and continuous distillation through any material which will not remain incorporated with such spirits when the manufacture thereof is complete: *And provided further*, That no officer shall collect any special tax for rectifying distilled spirits on any premises distant less than six hundred feet in a direct line from any distillery. And every officer who collects any special tax in violation of this proviso shall be liable to a penalty of five thousand dollars for each offense.

(See under "Brewers" as to new stamp in case of increase to 500 barrels or more.)

The payment of special tax by a rectifier confers no right to sell spirits either of his own rectification or otherwise. To enable him to sell, the

rectifier must pay a special tax as dealer, either wholesale or retail, or both, according to the quantities which he may desire to sell. (See Internal-Revenue Record, Vol. 9, p. 54.)

Manufacturers of wine from grapes grown in the United States are held not to incur special tax as rectifiers by reason of injecting carbonic-acid gas into such wine, or adding to the wine proof spirits necessary to its preservation, not exceeding 10 per cent, or rock candy. (Internal-Revenue Manual, edition of 1888, p. 144.)

Alcoholic bitters, sold or used as beverages, can only be made by rectifiers. (See Internal-Revenue Record, Vol. 10, p. 65.)

Liquors put up and exposed for sale bearing labels such as "Medicated Bourbon Whisky," "Port Wine Medicated," "Peach Brandy Bitters," with nothing else upon the label except the dose prescribed, are not so taken from the category of beverages and liquors and placed in the category of medicinal articles as to relieve the vendor from the liability to pay special tax as a liquor-dealer, or the person who prepares them from special tax as a rectifier. (See Internal-Revenue Record, Vol. 24, pp. 130, 281, and 305.)

The mixing of spirits, wines, or other liquors with any materials which result in the production of a spurious, imitation or compound liquor intended for sale under any name constitutes rectification. But retail liquor dealers who put tansy, horseradish, snake-root or the like into liquors, and sell the liquors so prepared to their customers by the drink merely, are not regarded as thereby incurring the rectifiers' special tax.

The addition of water or the simple mixing of spirits of the same kind, produced at the same distillery at or about the same time, is not regarded as rectification. (See Internal-Revenue Record, Vol. 10, p. 121.)

The addition to distilled spirits of any coloring matter or foreign substance which in any way changes the character of the spirits or remains incorporated therein, is regarded as rectification. The mixing of wines identical in kind, or the clearing of wines by means of a strainer or filter which can not be used for the purifying or refining of liquors in any other way, or the addition of simple materials which merely hasten the settling of the sediment, particles of pulp, etc., floating in the wine without otherwise changing its character, is not considered the process of rectifying, purifying, or refining such as the statute contemplates; but if the wines are different in kind, even though produced at the same establishment, or the result obtained from the mixture, or by any process of manipulation, is a compound or spurious liquor, the dealer is liable to the special tax of a rectifier.

A rectifier who is also a retail dealer may transfer the goods, rectified by himself as rectifier, to himself as retail liquor dealer, without rendering himself liable as a wholesale liquor dealer. (See Internal-Revenue Record, Vol. 11, p. 121.)

A distiller of grape brandy is not authorized to mix spirits produced from grain in his product except as a rectifier. (See Internal-Revenue Record, Vol. 12, p. 191.)

A druggist is not required to pay tax as a rectifier for recovering alcohol previously used by himself in the preparation of his medicines. (See Internal-Revenue Record, Vol. 24, p. 282.)

The last clause of section 3246, Revised Statutes, as amended by section 5 of the act of March 1, 1879, reads as follows:

Nor shall any special tax be imposed upon apothecaries as to wines or spirituous liquors which they use exclusively in the preparation or making up of medicines.

By the provisions of section 3246, Revised Statutes, a druggist is permitted to keep spirits and wines, and use them, in combination with drugs, in the preparation of medicines that are not beverages, and to sell such medicines without paying special tax as a liquor dealer under the internal-revenue laws of the United States. But, under the uniform rulings of this office and the decisions of the United States courts, he can not, without subjecting himself to this special tax, sell spirits or wines that are not combined with drugs or materials of any kind taking these liquors out of the class of beverages, even when he sells the liquors on a physician's prescription and for medicinal use only.

Besides the medicinal compounds which a druggist is authorized to sell without paying special tax as a liquor dealer, although they contain alcoholic liquors, there are other compounds containing spirits which, while they are not medicines, are nonpotable articles that do not come under the head of "distilled spirits, wines, or malt liquors," in contemplation of the internal-revenue laws, and which, therefore, he is entitled to sell without paying special tax, *e. g.*, toilet articles, such as cologne and bay rum; ether with alcohol, for use in photography; benzine or ether with alcohol, for cleaning purposes; castor-oil and alcohol, for toilet use; Florida water, violet water, etc.; toilet articles made from alcohol; camphor and alcohol; alcohol and ammonia and whiting, a cleaning preparation; alcohol and shellac, for painters, etc.

Wyeth's Malt Extract, which is held out as a medicine, has been represented, under oath, by the druggists who manufacture it, as containing the chemical principles diastase, dextrine, maltose, in such strength as would produce nausea if it should be used as a beverage. This, and other like extracts of malt, held out as medicines and not as beverages, are to be regarded as medicines until the facts brought before this office show that they belong in the class of malt liquors [beverages] referred to in section 3339, Revised Statutes. Meanwhile, druggists who sell them in good faith as medicines only are not to be called upon to pay special taxes as dealers in malt liquors on account of such sales.

As to the compounds called "bitters," "tonics," and the like, the rule is, if they are composed of spirits in combination with drugs, herbs, roots, etc., and are held out as remedies for diseases stated in labels on

the bottles, they are to be regarded as medicines until the facts ascertained as to the purposes for which they are usually sold or used show them to be beverages; and, until such facts are obtained, druggists and merchants who sell these compounds in good faith as medicines only are not to be called on to pay special tax as liquor dealers on account of such sales. Every person who sells them as beverages, either by the bottle or by the drink, or sells them knowingly to those who buy them for use as beverages, involves himself in liability to criminal prosecution under the internal-revenue laws of the United States, unless he holds a special tax stamp as a liquor dealer covering such sales. (United States *v.* Frederick Cota, 29 Int. Rev. Rec., 249; United States *v.* Stafford, 30 *Ibid.*, 247; 20 Fed. Rep., 720; United States *v.* J. W. Bibb, 33 Int. Rev. Rec., 391; United States *v.* Starnes, 35 *Ibid.*, 136; 37 Fed. Rep., 665.)

Great care should be exercised by revenue officers to prevent the sale of these compounds containing any considerable quantity of alcohol as beverages. It is feared that many merchants, under the guise of selling medicines, are evading the laws and selling intoxicants as beverages only.

The fact that a compound may be used as a medicine, and may be so intended by the person making it, does not relieve the seller from the liability of a retail liquor dealer, if the compound is intoxicating, and is not sold as a medicine.

The true test in all such cases is: Was the compound sold in good faith for medicinal purposes only, or was it sold as a beverage, or sold knowingly to persons who bought it for use as a beverage?

The exemption from special tax accorded to apothecaries by that provision of the statute hereinbefore cited, applies also to any and all mechanical appliances and processes which they may find to be necessary or useful in the preparation or making up of medicines, and that an apothecary, therefore, notwithstanding the fact of his holding a special-tax stamp as a liquor dealer, is not subject to special tax as a rectifier on account of his keeping a still or distilling apparatus for use exclusively in treating liquors, etc., employed in the making up of medicines. (Decision No. 179, dated April 21, 1879.)

The use of Peiffer & Richards' improved apparatus for aging whisky and other spirits, is not considered rectification, and its use in distillery warehouses was authorized by Commissioner Raum, December 4, 1877. (Internal-Revenue Record, Vol. 23, p. 405.)

The use in distillery warehouses of the Corey apparatus for aging whisky and other spirits was also allowed May 15, 1879, and the regulations prescribing as to its use are set forth in Circular No. 218, published on page 245, Vol. 25, Internal-Revenue Record.

FOURTH.

Retail dealers in liquor..... $25.00

Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as provided by

section 18 of the act of February 8, 1875, as amended by section 4 of the act of March 1, 1879, in less quantities than five wine-gallons at the same time, shall be regarded as a retail dealer in liquors. (See paragraph fourth of section 3244, Compilation of 1879, p. 36.)

Retail liquor dealers can not, as such, sell 5 gallons or more to one person at any one time. Any person desiring to sell in quantities of 5 or more gallons must make return and pay the special tax as a wholesale liquor dealer. The word "gallon" here used means "wine gallon."

No special tax as liquor dealer is required of a county, city, or town agent, appointed under what is popularly known as the "Maine liquor law," for sales made in strict accordance with the provisions of said law; the liquors being both purchased and sold by the *town*, the agent having no property in them. (Internal-Revenue Record, Vol. 11, p. 145.) Vintners also exempt for selling own wines when made. (See p. 94, Compilation 1889, section 3246, etc.)

The sale of liquor to its members by a club or association of persons not incorporated, combining together to promote social and literary objects, subjects it to a tax as retail dealer, and renders the club or any member thereof criminally responsible for the failure to pay such tax. Any course of selling, though to a restricted class of persons and without a view to profit, is within the meaning of the statute. (Internal-Revenue Record, Vol. 22, p. 98.)

Persons who sell a mixture of soda water, etc., and wine or other spirits, should be regarded as liquor dealers. (Internal-Revenue Record, Vol. 11, p. 137.)

A person who sells "brandy peaches," "brandy cherries," etc., is liable to special tax as a liquor dealer, unless the said articles are bona fide sold *as such*, and contain only the necessary quantities of brandy to preserve the fruit. (Internal-Revenue Record, Vol. 18, p. 105.)

See decision as to liability of a person to special tax as a liquor dealer who sells liquors put up and exposed for sale, bearing labels such as "Medicated Bourbon Whisky," etc., under title "Rectifiers."

Special-tax stamps can be issued only to dealers in distilled spirits, wines, or malt liquors who sell at a fixed place, which shall be clearly indicated in the special-tax stamp. The only exception to this is that made by joint resolution approved May 8, 1876, hereinafter mentioned.

The law does not provide for the peddling of either distilled spirits, wines, or malt liquors, and persons found selling the same in the manner of peddlers must be regarded as engaged in business not authorized by the special-tax laws.

Where, upon an order given to a driver or agent of an authorized liquor dealer, liquors are sold at the regular place of business of the dealer, under his special-tax stamp, the liquors can be sent out by wagon or otherwise to the purchaser without additional liability under the law on the part of the agent or dealer; but the sale of liquors from a wagon or other vehicle, or in the manner of a peddler going from place

to place, is contrary to the law and regulations. (Internal-Revenue Record, Vol. 19, p. 153, and Vol. 22, p. 157.)

The joint resolution of Congress, approved May 8, 1876, authorized the issue, under such regulations as the Commissioner of Internal Revenue may prescribe, of special-tax stamps to persons carrying on the business of retail dealers in liquors, or retail dealers in malt liquors, upon passenger railroad trains or upon steamboats or other vessels engaged in the business of carrying passengers. Under that resolution it is held that if wines or liquors are sold by agents passing from car to car the principal is liable to pay a special tax as a retail liquor dealer for each agent, but where spirituous or malt liquors are sold only from one bar or a single room, as is generally the custom on steamboats, it is sufficient to pay the taxes for one place of business. The law does not authorize the issuance of special-tax stamps for the sale of liquors on boats moving from place to place, and not engaged in the business of carrying passengers.

Where an association renting and occupying premises or grounds, such as fair grounds, trotting parks, etc., employs persons as agents to sell liquors for the benefit of the association at various points within the grounds or inclosure, but one special tax for the sale of liquors will be required of said association in respect of such sales: but where the privilege of making such sales is let to one or more individuals who establish several different stands where liquors are sold, which stands are separated from each other by grounds occupied by the association or by other persons, the lessee is liable to special tax for each stand where sales are made.

Regular retail dealers in liquor or in malt liquors, holding special-tax stamps as such, may close their ordinary place of business for the time being, and, on the registry of the facts with the collector of the district in which the fair grounds are situate, may do business under the regular stamps at one stand in the fair grounds without payment of additional tax; but before opening again their regular place of business must make a new registry with the collector of the district in which the stamps were issued. (18 Record, p. 81.)

The special tax of a liquor dealer is not imposed upon apothecaries as to wines or spirituous liquors which they use exclusively in the preparation or making up of medicines. (Section 3246, Revised Statutes.) But this section is construed to mean medicines which can not be used as beverages. (Internal-Revenue Record, Vol. 19, p. 145.)

A retail liquor dealer may sell out his entire stock of liquors, amounting to 5 gallons or more, in one parcel, without subjecting himself to special tax as a wholesale liquor dealer; or he may sell his entire stock of distilled spirits in one parcel, his entire stock of wines in another parcel, and his entire stock of malt liquors in another parcel, without subjecting himself to such tax; but the exemption added to section 3244, Revised Statutes, by section 4, act of March 1, 1879, does not extend further than this. (Internal-Revenue Record, Vol. 25, p. 101.)

Wholesale liquor dealers.....$100.00

Every person who sells or offers for sale foreign or domestic distilled spirits, wines, or malt liquors in quantities of not less than 5 wine gallons at the same time shall be regarded as a wholesale liquor dealer. No person, however, is a wholesale liquor dealer who sells only malt liquors at wholesale and does not deal in spirituous liquors at wholesale; nor is a distiller, who has given the required bond, and who sells only distilled spirits of his own production at the place of manufacture in the original packages to which the tax stamps are affixed, required to pay the special tax of a wholesale liquor dealer on account of such sales.

Section 4, of the act of March 1, 1879, amends section 3244, Revised Statutes, by adding after the fifth clause as follows:

But no special tax shall be held to accrue on a sale of distilled spirits, wines, or malt liquors made by a person who is not otherwise a dealer in liquors, where such spirits, wines, or liquors have been received by the person so selling as security for or in payment of a debt, or as executor, administrator, or other fiduciary, or have been levied on by any officer, under order or process of any court or magistrate, and where such spirits are sold by such person in one parcel only, or at public auction in parcels not less than twenty wine-gallons, nor shall such tax be held to accrue on a sale made by a retiring partner, or the representatives of a deceased partner to the incoming, remaining, or surviving partner or partners of a firm; nor shall the special tax of a wholesale liquor dealer or wholesale dealer in malt liquors be held to apply to a retail dealer in liquors or a retail dealer in malt liquors, because of such retail dealer selling out his entire stock of liquors in one parcel, or in parcels embracing not less than his entire stock of distilled spirits, of wines, or of malt liquors; and section thirty-three hundred and nineteen of the Revised Statutes shall not be held to prohibit a rectifier or liquor dealer from purchasing, in quantities greater than twenty wine-gallons, the distilled spirits sold in one parcel as aforesaid.

A person who has been a distiller, who has not renewed his bond as such, having spirits in bond, can only make sale of the same by paying the special tax of a wholesale liquor dealer.

A person is liable to special tax as a wholesale liquor dealer for each and every place where such trade or business is carried on; *i. e.*, for each and every place where he sells or offers for sale foreign or domestic distilled spirits, wines, or malt liquors, as hereinbefore stated, in quantities not less than 5 gallons at the same time.

The place where the delivery, either actual or constructive, which transfers ownership from the vendor to the vendee is made is regarded as the place of sale, and at that place he should pay the special tax. The spirits may be stored elsewhere, but he need not pay special tax for the place of storage if at his place of business there has been such constructive delivery as is above described. The delivery of a bill of sale containing such a description of the spirits sold, such a separation from all other spirits, by specification of serial numbers, marks, and

brands, or otherwise, as to fully identify and distinguish them, and show, not merely how many gallons or how many packages are sold, but exactly which ones, should be regarded as a sale made at the place where the bill was delivered. (Internal-Revenue Record, Vol. 23, p. 253.)

A person who keeps no spirits on hand, but buys, on his own account, and ships to his customers, is liable to special tax as a liquor dealer. (See Internal-Revenue Record, Vol. 10, p. 173.)

A person is not liable as a dealer in liquors simply for negotiating sales of them for others, provided he has neither actual nor constructive possession of them; but if he has such possession, so that a delivery, either actual or constructive, is made by him, such a delivery as vests the ownership in the purchaser, he is liable to the tax even though he himself is not the owner of the liquors or any part of them. (Internal-Revenue Record, Vol. 14, p. 193.)

Purchasing alcohol for export does not necessarily constitute the purchaser a wholesale liquor dealer; certainly not if the exporting purchaser makes no sale of it in this country, but simply exports it to be sold abroad. (Internal-Revenue Record, Vol. 16, p. 105.)

If a distiller makes a sale in the original packages, to which the tax stamps are affixed, of distilled spirits of his own manufacture, and makes a constructive delivery of such spirits on his distillery premises by means of a bill of sale, containing such a description of the spirits sold, such a separation from all other spirits by specification of serial numbers, marks, and brands, or otherwise, as to fully identify and distinguish them, and show, not merely how many gallons or how many packages are sold, but exactly which ones, the subsequent actual delivery of such packages of spirits from his private warehouse or other places of storage would not render him liable as a wholesale liquor dealer. (Letter of Commissioner Raum to Collector Buckner, fifth district of Kentucky, March 26, 1878.)

A distiller who has his spirits stored in a free warehouse in the original stamped packages, and who sells such spirits at his place of manufacture, and constructively delivers them there by means of a bill of sale, showing the serial numbers, marks, brands, etc., can subsequently actually deliver the spirits at the free warehouse without subjecting himself to special tax as a wholesale liquor dealer. A distiller can, without incurring special tax, consign his spirits in the original stamped packages to an authorized liquor dealer, and have the dealer sell them for him. (Letter of Commissioner Raum to Collector Swope, seventh district of Kentucky, September 21, 1878.)

See, under heading "Rectifiers," decision as to tax required of rectifiers who sell spirits either of their own rectification or otherwise. Also see, under same heading, decision relative to rectifiers who are also retail liquor dealers, and who transfer goods rectified by themselves to themselves as retail liquor dealers.

When an offer is made bona fide by any person to purchase distilled spirits, or any other goods for the sale of which special tax is required to be paid by the internal-revenue laws, and an order therefor is given by him with a request that the price be collected at the time and place of delivery of the goods, and such order is accepted by the seller, and the goods are separated from the other goods of the seller at his place of business authorized by the internal-revenue laws of the United States, and are there set apart as the property of the person ordering, and so delivered to the carrier, with instructions to deliver them to the purchaser at the place named by him and to collect the purchase money at that place, it is held that the place of sale is the place where such order is received and the goods are set apart and delivered to the carrier, and that special tax is not required by these laws to be paid at the place where the delivery is made by the carrier, and the purchase money collected in accordance with the purchaser's request. (Circular No. 339.)

FIFTH.

Retail dealers in malt liquors $20.00

Every person who sells, or offers for sale, malt liquors in less quantities than five gallons at one time, but who does not deal in spirituous liquors, shall be regarded as a retail dealer in malt liquors.

Retail dealers in malt liquors can not retail spirituous liquors or wines without paying special tax as retail liquor dealers.

See decision relative to brewers, as well as others, who bottle malt liquors for sale, under "Brewers."

See decision in regard to clubs or associations of persons who sell liquors to the members thereof, under "Retail Liquor Dealers."

See amendment to fifth clause of section 3244, Revised Statutes, under "Wholesale Liquor Dealers."

Also see decisions relative to peddling spirits, wines, or malt liquors; relative to selling wines or liquors upon passenger railroad trains, or upon steamboats or other vessels; in regard to selling liquors upon fair grounds, trotting parks, etc., under "Retail Liquor Dealers."

Wholesale dealers in malt liquors $50.00

Every person who sells, or offers for sale, malt liquors in quantities of not less than five gallons at one time, but who does not deal in spirituous liquors at wholesale, shall be regarded as a wholesale dealer in malt liquors.

See, under "Brewers," exemption in case of brewers who sell in the original stamped packages, whether at the place of manufacture or elsewhere.

See, under "Brewers," decision as to liability to special tax as wholesale dealers in malt liquors of persons who bottle malt liquors for sale.

See, under "Retail Liquor Dealers," decision as to peddling spirits, wines, or malt liquors.

See, under "Wholesale Liquor Dealers," amendment to fifth clause of section 3244, Revised Statutes.

Manufacturers of oleomargarine $600.00

Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine.

For definition of oleomargarine see Regulations, Series 7, No. 9, revised.

Retail dealers in oleomargarine $48.00

Every person who sells oleomargarine in less quantities than ten pounds at one time shall be regarded as a retail dealer in oleomargarine.

A retail dealer in oleomargarine is permitted by section 6 of the act of August 2, 1886, to sell as much as 10 pounds of oleomargarine at one sale; but as the same section requires him to sell it from the original stamped package, and section 3 of the act precludes his selling the original stamped package without payment of special tax by him as a wholesale dealer, the only course for him to pursue under these circumstances is to sell this quantity directly from the original stamped package, and deliver it in another package, properly marked and branded, to the purchaser.

See decisions reported under section 3, published in Vol. 32, Record, p. 318.

Wholesale dealers in oleomargarine $180.00

Every person who sells or offers for sale oleomargarine in the original manufacturer's packages shall be deemed a wholesale dealer in oleomargarine.

A person, even if he is a retail dealer in oleomargarine, may solicit orders for oleomargarine in wholesale quantities, and send these orders to the wholesale dealer or to the manufacturer, and receive therefor an allowance as brokerage, without subjecting himself to a special tax as a wholesale dealer, provided the wholesale dealers (or the manufacturers, if the orders are sent to them) ship the original stamped packages to the persons ordering direct and unconditionally, without any intervention on the part of the broker in the delivery. The receipt of commission or brokerage, under these circumstances, for the orders obtained is immaterial so far as the special tax question is concerned. (32 Record, p. 373.)

A manufacturer of oleomargarine, after having discontinued business, directed one wholesale dealer in oleomargarine who held some of his goods to consign the same to another wholesale dealer in oleomargarine, who sold the same on the late manufacturer's account on commission.

It is held that these transactions do not make the late manufacturer a wholesale dealer, as the special-tax stamp of the wholesale dealer who sold the goods covered the sale at his place of business of the packages belonging to the late manufacturer, which the dealer received as such manufacturer's property, and sold on commission for him and on his account as his agent.

Assessment of special taxes.

All persons liable to pay a special tax who fail to PAY *the same prior to or during the calendar month in which liability thereto is incurred, must be reported on Form 23, with date of receipt of Form 11, or other application to pay tax, noted in column 7, Form 23.*

In case of those who commence business during the latter part of a month, the date of commencing business and date of mailing application should also be noted on the assessment list. (Special No. 185, Internal-Revenue Record, Vol. 24, p. 99.)

The first requirement must be complied with in every case, whether the delinquent taxpayer makes application (Form 11) at the time required by law or not, as delay in reporting such delinquent lessens his liability to the 5 per cent penalty and 1 per cent per month interest for failure to pay an assessment within the time required by law, and also endangers the collection of the tax. (See letter "Relating to special tax and special-tax stamps," 25 Internal-Revenue Record, p. 237.) Care should be taken in entries on Form 166 and in stubs of stamps which are copied on Office Forms 5 and 6.

Assessment of taxes on distilled spirits.

Section 3251, Revised Statutes, as amended by section 1 of the act of March 3, 1875 (18 Stat., 339), imposes on all distilled spirits produced in the United States from and after March 3, 1875, a tax of 90 cents on each proof gallon or wine gallon when below proof; to be paid by the distiller, owner, or person having possession thereof, before removal from the distillery bonded warehouse.

Section 3253, Revised Statutes, provides that—

The tax upon any distilled spirits, removed from the place where they were distilled and not deposited in bonded warehouse as required by law, shall, at any time, when knowledge of such fact is obtained by the Commissioner of Internal Revenue, be assessed by him upon the distiller of the same, and returned to the collector, who shall immediately demand payment of such tax, and, upon the neglect or refusal of payment by the distiller, shall proceed to collect the same by distraint. But this provision shall not exclude any other remedy or proceeding provided by law. (See also section 8, act March 3, 1877, as amended by the act of October 18, 1888, providing similar remedy in certain cases as to brandy made from apples, peaches, or grapes.)

Whenever an internal-revenue officer discovers such a removal of spirits the fact should be reported to this office by letter without delay, and with all the evidence obtained in the matter, in order that the Com-

missioner may determine and assess the tax due. If the discovery is made by a collector, or by one of his deputies, the distiller should also be reported on Form 23, with a reference in column 7, or at the foot of the list, to the evidence forwarded in the case to this office.

Under the provisions of sections 3182 and 3437, Revised Statutes, the Commissioner of Internal Revenue is required to assess the tax due on any distilled spirits sold or removed from distillery warehouses, or other designated depositories, for sale, without the payment of the tax and the use of the proper stamp, within a period of not more than two years after such removal or sale. (See section 3289, Revised Statutes, as to absence of stamp from a package of spirits, and rulings thereunder, p. 120, Comp. 1889.)

Section 3293, Revised Statutes, amended by section 5 of the act of March 1, 1879, as reënacted by section 4, act of May 28, 1880, provides that—

If it shall appear at any time that there has been a loss of distilled spirits from any cask or other package hereafter deposited in a distillery warehouse, other than the loss provided for in section thirty-two hundred and twenty-one of the Revised Statutes of the United States, as amended, which, in the opinion of the Commissioner of Internal Revenue, is excessive, he may instruct the collector of the district in which the loss has occurred, to require the withdrawal from warehouse of such distilled spirits, and to collect the tax accrued upon the original quantity of distilled spirits entered into the warehouse in such cask or package, notwithstanding that the time specified in any bond given for the withdrawal of the spirits entered into warehouse in such cask or package has not expired. If the said tax and interest are not paid on demand, the collector shall report the amount due upon his next monthly list, and it shall be assessed and collected as other taxes are assessed and collected.

Collectors will on receiving notice of the destruction by fire or other casualty of spirits while stored in a distillery warehouse or special bonded warehouse in their respective districts report the spirits for assessment on the next regular list, Form 23, and at once advise the distiller of such proposed assessment.

When a claim for abatement of the assessed tax is filed under the provisions of section 3221, Revised Statutes, application for delay in the collection of the tax pending consideration of such claim may be made as in other cases of assessment.

In reporting distillers on Form 23, for assessment under the provisions of sections 3182 and 3437, Revised Statutes, and section 4, act of May 28, 1880, care should be taken to give all data necessary to enable this office to determine as to whether the amounts of taxes are correctly reported for assessment: that is, in case of those reported under sections 3182 and 3437, Revised Statutes, the serial number of package, as well as the quantity, date of removal, amount of tax, and other information required to be given in columns 2, 3, and 4, Form 23, should be stated on the assessment list; and in case of those reported under section

3293, Revised Statutes, as amended, the serial number of package, as well as the quantity, amount of tax, and other information required to be given in said columns of Form 23, should be entered on the list.

Existing regulations concerning the payment of tax upon brandy distilled from apples, peaches, or grapes, exclusively, provide that collectors will not report to the Commissioner of Internal Revenue, for assessment, the amount of such tax which becomes due and payable on the tenth day of the month, except in default of payment within four months from such tenth day of the month. (Circular No. 193.)

In case grape brandy is used free of tax in fortifying sweet wine, and the quantity after fortification is found to be in excess of the 24 per cent limit fixed by section 42 of the act of October 1, 1890, the actual quantity used in excess in any given package or tank may be ascertained by a proportion having for its first term the percentage of other liquid in a wine containing just 24 per cent of alcohol; for its second term, the actual percentage of such liquid in the case under consideration; and for its third term, the whole quantity of fortified wine in the vessel. The fourth term, to be ascertained, will show the whole quantity of wine and alcohol, less the alcohol in excess of the 24 per cent.

By deducting the fourth term from the third term the number of wine gallons of alcohol used in excess is ascertained. By multiplying the number of gallons of alcohol thus found by 2 the number of proof gallons used in excess is found; this quantity multipled by 90 cents gives the amount of tax to be reported for assessment.

The attention of collectors of internal revenue is called to the necessity of requiring spirits to be inspected and gauged with great care and thoroughness, and to have the packages marked accurately, so as to show *the actual proof and contents.*

Whenever an examination of any distiller's original package shows an excess of spirits of 1 proof gallon or upward, over and above the quantity which, according to the marks, stamps, and brands on such packages, might be lawfully contained therein, it should be detained for investigation, and a careful gauge made by at least two competent gaugers, where practicable, and if the excess as found by both of them should amount to 1 proof gallon or upward in any package, the taxable excess should be estimated by the collector, and reported for assessment against the distiller.

In making such report the serial numbers of the packages in which the excess is found should be given, and the name of the gauger who originally gauged the spirits should be reported.

If there is no ground for detention other than this excess, and the collector is satisfied that the excess occurred without fraudulent intent, he may release the goods, without costs to the Government, upon being notified that such assessment has been paid; or, if the parties in whose possession the spirits were detained desire to pay the assessment for the distillers, in order to obtain earlier possession of the goods, the col-

lector may receive the tax from them, and immediately release the goods, without waiting for the assessment to be made; and, in that case, he should transmit the amount collected, either by certificate of deposit or otherwise, to the collector of the district in which the spirits were produced, and report the facts to this office. (See 25 Record, p. 373.)

If the unlawful excess so found should be so large as to awaken suspicion of fraud, the spirits should be seized and reported to this office for instructions as to proceeding for their forfeiture. (Special No. 150, Revised.)

Assessments of tax on deficiencies of spirits in exportation.

Whenever the clearance certificate of the collector of customs and the detailed report of the customs-gauger show that a portion of the spirits withdrawn from distillery warehouse for exportation or for transfer to a manufacturing warehouse has not been received on board of the exporting vessel, or in the manufacturing warehouse, the collector of internal revenue will, unless a claim is filed under the provisions of the act of December 20, 1879, and Regulations, Series 7, No. 4, ten days after the receipt of such certificate and detailed report, collect the tax on the deficiency at 90 cents per gallon, and report the same on Form 58. If, however, the distiller should neglect or refuse to pay the tax the collector will report the same for assessment on Form 23. In making reports, whether on Form 58 or Form 23, of such deficiencies, the collector will state the date of the bond covering the lot of spirits on which the deficiency occurred. He will also give the other information required by the printed heading of the several columns of Form 23.

A charge of *ten cents for each export stamp* for distilled spirits required under section 3330, Revised Statutes, is made when the exporter files his entry for withdrawal. (See article 7, series 7, No. 4, revised October 27, 1885.) Under authority of section 3314, Revised Statutes, the Commissioner of Internal Revenue may make assessment therefor. But as the stamps are to be paid for prior to delivery, occasion for assessment should not arise.

As to the tax on *imitation wines*, etc., of 10 cents per bottle or package containing not more than one pint, or of 20 cents per bottle or package containing more than one pint and not more than one quart, and at the same rate for any larger quantity, see section 3328, Revised Statutes, and instructions in Series 7, No. 7, pp. 168, 169, and 170.

Assessment of taxes on manufactured tobacco and snuff, and on cigars cheroots, and cigarettes.

The tax upon tobacco, snuff, cigars, and cigarettes is levied upon the quantity manufactured and sold or removed for use or consumption, the present rate of tax on tobacco and snuff being 6 cents per pound, that

on cigars and on cigarettes weighing more than 3 pounds per thousand, $3 per thousand, and on cigarettes weighing not more than 3 pounds per thousand, 50 cents per thousand. Internal-revenue taxes payable by stamps and at the rates above specified are also required as to imported manufactured tobacco, snuff, and cigars.

Section 3371, Revised Statutes, as amended by section 14 of the act of March 1, 1879, provides that—

Whenever any manufacturer of tobacco, snuff, or cigars, sells, or removes for sale or consumption, any tobacco, snuff, or cigars, upon which a tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such sale or removal, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor, and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal: *Provided, however*, That no such assessment shall be made until and after notice to the manufacturer of the alleged sale and removal to show cause against said assessment; and the Commissioner of Internal Revenue shall, upon a full hearing of all the evidence, determine what assessment, if any, should be made.

For specific instructions in regard to this class of assessments, the attention of collectors is called to Regulations, Series 7, No. 8, revised January, 1892, pages 54 to 59 inclusive.

As to abstracts and inventories from manufacturers' books, see section 3358, Revised Statutes, as to tobacco or snuff, and section 3390 as to cigars.

As to absence of stamp being evidence of nonpayment of the tax, see section 3373, Revised Statutes, and section 3398, Revised Statutes.

Assessments of taxes on fermented liquors.

By section 3437, Revised Statutes, the Commissioner of Internal Revenue is required to assess the tax due on any fermented liquors, sold or removed for sale by the brewer thereof, without the use of the proper stamp, within a period of not more than two years after such removal or sale. This tax, under section 3339, is $1 per barrel of 31 wine gallons, and pro rata on halves, thirds, quarters, sixths, and eighths; also, $2 on hogsheads containing more than 31 gallons and not more than 63 gallons.

Whenever such a removal or sale is discovered, the collector should report the tax due on Form 23, for assessment; and, in addition to the information required in columns 2, 3, 4, 5, and 6 of said form, he will state whether the same was certified to him on Office Form 124, or by letter from this office; and, in case the same was so certified to him, he will give, in column 7, Form 23, the date of the Office Form 124 or office letter.

Assessments against brewers, on the basis of material used, are barred by the act of May 13, 1876, except in cases of fraud.

When, in the opinion of the collector, an assessment should be made against a brewer on this basis, the collector will report the facts to this office by letter, forwarding all the evidence obtained in the case. (See page 53 as to fermented liquor removed in bond for export and unaccounted for.)

Absence of stamp on packages of fermented liquor is notice that the x has not been paid thereon. (See section 3352, Revised Statutes.)

Assessment of tax on oleomargarine.

Sections 8 and 9 of the oleomargarine act of August 2, 1886, provide as follows:

SEC. 8. That upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax of two cents per pound, to be paid by the manufacturer thereof; and any fractional part of a pound in a package shall be taxed as a pound. The tax levied by this section shall be represented by coupon stamps; and the provisions of existing laws governing the engraving, issue, sale, accountability, effacement, and destruction of stamps relating to tobacco and snuff, as far as applicable, are hereby made to apply to stamps provided for by this section.

SEC. 9. That whenever any manufacturer of oleomargarine sells, or removes for sale or consumption, any oleomargarine upon which the tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such sale or removal, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal.

Collectors will report taxes for assessment in accordance with the above quoted sections on Form 23, as required in case of other stamp taxes when the taxable article is removed without being stamped.

Deputy collectors, in canvassing for objects of taxation under the requirements of section 3172 of the Revised Statutes, will inquire after and concerning all persons in their respective divisions who are liable to pay a special tax, and all persons owning or having the care and management of the articles liable to tax under the act of August 2, 1886, and to make a list of such persons and such articles. Each deputy will also note, over his signature, on the books of manufacturers, the date of examination and the condition of the accounts at that time, and such other memoranda as will be valuable upon any subsequent examination.

IMPORTED OLEOMARGARINE.

All oleomargarine imported from foreign countries, in addition to import duties, is made liable under section 14 of the act of August 2, 1886, to an internal-revenue tax of 15 cents per pound, and to have the appropriate stamps affixed thereto and canceled.

In case this tax is not paid by stamp at the time and in the manner provided by law, its collection may be enforced by assessment.

Assessment of tax on opium.

Section 36 of the act of October 1, 1890, provides—

That an internal-revenue tax of ten dollars per pound shall be levied and collected upon all opium manufactured in the United States for smoking purposes.

Section 38 of the same act provides—

That all opium manufactured in the United States for smoking purposes, before being removed from the place of manufacture, whether for consumption or storage, shall be duly stamped in such permanent manner as to denote the payment of the internal-revenue tax thereon.

In case the opium is removed from the place of manufacture without being stamped as required by section 38, the collector will report the tax for assessment as in the case of other taxes which have not been duly paid by stamp at the time and in the manner required by law. (See p. 12, Regulations, Series 7, No. 16, approved November 29, 1890.)

III.

INSTRUCTIONS RELATIVE TO ASSESSMENT LISTS, FORMS 23 AND 58.

On or before the tenth day of each month the collector will prepare a list on Forms 23 A and 23 B and 58, each in triplicate, for the entire district for the preceding month.

The entries on the lists will be made in accordance with the following instructions:

The collector will enter the amounts returned to him on Form 24 by his deputies; on Form 169 by revenue agents; the amounts certified to him by the Commissioner on Office Forms 124 and 246; the amounts returned by taxpayers directly to himself, and all other taxes liable to assessment under the internal-revenue laws. In each case every fact necessary to enable the Commissioner to assess and determine the amounts to be collected should be specified in the proper columns, including column 7 of remarks. Each triplicate list will be a counterpart of the other two, except that the collector will mark across the top of one, in red ink the word "original," across the top of another the word "duplicate," and across the top of the third the word "triplicate." Forms 23 should be made out alphabetically, without regard to article, occupation, or divisions. At the end of the list of names commencing with any given letter, one line should be left blank, and in case the list is a large one, two or three lines should be left blank.

Before sending the list to the Commissioner, the collector will make the entries on Forms 23 A and 23 B in columns 2, 3, 4, 5, 6, and 7, and in case an assessable tax is paid before the list is sent, proper entries will be made in columns 12 and 13, also, where a special-tax stamp or tax-paid spirit stamp has been issued, in column 15, as follows:

(1) Care should be taken that entries made on any one line of the original should be made on the corresponding line of the duplicate and triplicate.

(2) The collector will enter in column 2 the names of all persons in his district liable to assessment, including those liable to the penalty of 50 per cent for neglect to make return in due time, or of 100 per cent for making a false or fraudulent return (Form 11 of special taxpayers,

Form 67 of banks or bankers, etc.). In making up the list for July he will enter the names of all persons who in July continue or commence a business rendering them liable to a special tax, and who have failed to pay the tax prior to August 1. This must be done even when the tax is paid before the list is made up. *And he will report every special tax-payer on the list for the month in which he commences business who fails to* PAY HIS TAX *prior to the first day of the succeeding month.* In making up his list for May and November of each year the collector will enter in column 2 of 23 A or 23 B the names of all banks and bankers in his district liable to assessment on circulation.

(3) In giving the post-office address it is not necessary to state the county or township, but merely the post-office as found in the post-office directory, except in case the collection district is entirely comprised within the limits of a city, when the street and number will be given in lieu of the post-office address.

(4) The article or occupation should be stated in full in column 4 when there is room. If there is not room the following abbreviations may be used, viz: "D." for dealer, "R." for retail, "L." for liquor, "W." for wholesale, "T." or "Tob." for tobacco, "Oleo." for oleomargarine, "Manuf." for manufacturer, "M." or "M'f'd." for manufactured, "L. T." for leaf tobacco, "M. L." for malt liquors, "M. T." for manufactured tobacco, "Brewer (or Rectifier), less than 500 bbls." for brewer (or rectifier) manufacturing (or rectifying) less than 500 barrels per year, "Brewer (or rectifier) 500 bbls. or more," for brewer (or rectifier) manufacturing (or rectifying) 500 barrels or more per year, etc.

When an assessment is reported against a distiller on account of deficiency of spirits or excess of material in the production of distilled spirits, the words "Deficiency, Spirits," or "Excess, Spirits Material," as the case may be, will be entered. When an assessment is reported against a distiller, brewer, or manufacturer of tobacco, snuff, or cigars, or other manufacturer for having removed any taxable articles from his distillery, brewery, or manufactory, as the case may be, without the use of the proper stamp, or for not having duly paid such tax by stamp at the time and in the manner provided by law, the entry in this column should be "Stamp Tax Spts.," "Stamp Tax Tob.," "Stamp Tax Cigars," "Stamp Tax Beer," "Stamp Tax Oleo.," "Stamp Tax Opium," as the case may be. The initials, "S. T." may be used as an abbreviation for "Stamp Tax." When, under section 4, act of May 28, 1880, the tax on one or more packages of spirits in a distillery warehouse from which there has been an excessive loss is reported, the entry in this column will be "Gallon Tax Spirits."

(5) In making entries in column 5 against the name of special tax-payers the number of months for which the tax is due and the end of the special-tax year should in all cases be stated in the following manner: "5 mo. end'g June 30, 1892," "12 mo. end'g June 30, 1893," or as the case may be. In case of deficiency of spirits or excess of material

in production of distilled spirits, the month or period during which the deficiency or excess occurred should be stated. Also when stamp taxes on spirits, tobacco, cigars, beer, opium, or oleomargarine are reported, the period during which the liability was incurred should be stated.

(6) The amount reported by the collector in column 6 should be the amount of the tax to be assessed. It is not necessary for the collector to state the amount of the 50 per cent or 100 per cent penalty in this column. In case the tax so reported is paid prior to sending forward the list, the following entries should also be made on the list by the collector before the list is forwarded to the Commissioner, viz: The amount paid, including penalty, if any has been paid, in column 12; date of payment in column 13; and, if a special-tax stamp has been issued, the serial number of the stamp in column 15. The date of payment is the date when the money is received by collector or deputy, and is *not* the date of the stamp unless the stamp is issued on the same day the money is received.

(7) In the case of special taxes, the collector will state in column 7, of remarks, when the return on Form 11 has been received by collector or deputy collector, and whether true or false, and if false, *in what its falsity consists;* also, if received after close of the calendar month in which the special-tax liability commences, whether he has allowed further time on account of sickness or absence, and, if so, for how many days, and whether for sickness or for absence. The collector will also state the date of commencement of business, except when business is commenced or continued on the 1st day of July. As a penalty will be assessed in every case where a return on Form 11 is not made according to law, or the return is false or fraudulent, the necessity of making entry of these facts in each case is apparent.

When the tax on brandy distilled from apples, grapes, or peaches, exclusively, is reported for assessment for default in the payment thereof, the words "Stamp Tax Spts." will be entered in column No. 4, the month in which produced in column No. 5, and the words "Fruit Brandy" and serial numbers of packages in column No. 7.

Office Form 245 should be returned with the list and not by letter.

In all cases where fruit distillers, in reply to notice on Office Form 245, furnish evidence intended to show that assessment should not be made, such evidence should be certified to by the deputy collector of the division in which the distiller resides, and forwarded with the list Form 23 to the Commissioner, with the opinion and recommendation of the collector, who will state in column No. 7, "Evidence herewith."

In case a fruit distiller fails to return Office Form 245, or to acknowledge the receipt thereof, the collector will report the distiller for assessment, and transmit with the list Form 23 a certificate of the deputy collector as to service of the notice on the distiller, or in case of inability to reach the distiller, of such service on the sureties to his bond, Form 30½, and state in column No. 7, "Receipt herewith."

When the tax on spirits which have remained in a distillery warehouse more than three years is reported for assessment, or when the tax on any cask or package in a distillery warehouse from which there has been an excessive loss of spirits (see section 3293, R. S., as amended by act of May 28, 1880), is so reported, the serial numbers of the packages containing the spirits should be stated in column No. 7, or at the foot of the page under the heading "Additional Remarks by Collector." When the serial number of the receipt Form 1 is given in column 15, the entry should be made in *red ink*. The serial number of the stamp should be in black ink.

Letters containing explanations concerning items reported for assessment should be inclosed with the list on which the items are reported, and reference should be made to such letters in column 7; otherwise the explanations may not be received until after the list is made up and the "Original" forwarded to the collector.

In reporting taxes the assessment of which is barred by the statute of limitation, the collector will obtain the necessary waiver on the return (see Circular Letter No. 4), forward the return with the list to the Commissioner, and report the fact in column 7.

The three copies of Forms 23 and Form 58, prepared as above stated, will be disposed of as follows: Two copies, the "Original" and "Duplicate," will *on or before the tenth day of the month*, be sent to the Commissioner, and one copy, the "Triplicate," filed in the office of the collector. In case the calculation of the deficiency taxes will, in any month, delay the transmission of Forms 23 to the Commissioner beyond the tenth day of the month in which it should be sent, the collector will report the amount which he finds to be due on his next monthly list. He must not accept without question the amounts certified to him on Office Form 246, nor, when he has the proper data for calculating such assessments, should he await the arrival of Office Form 246 before making such calculation and reporting the amount to be assessed, but amounts certified on Office Form 246 must be reported on Form 23 from month to month until disposed of. (See as to mode of making such calculations, Series 7, No. 7, revised May 3, 1890, pp. 66 to 75.) In case no assessment is to be made the collector will send but one copy of Form 23 and Form 58, and will write over his signature in red ink, "I have no assessments to recommend for the month of ——, 189—."

No list, except a special list, prepared by a collector will cover a less period than one calendar month. The last list prepared by an outgoing collector will be for the last full month of his term of office; and the first list of the incoming collector will be for the full calendar month during which he enters upon the duties of his office. The outgoing collector will certify to the new collector the assessments, advance collections, and amounts to be reported on Form 58 for those days of the month in which he remained in office. And the new collector may take credit on his first report on Form 51 for the advance collections made by his predecessor.

The Commissioner will, immediately on receipt of the lists on Forms 23 from the collector, inquire, determine, assess, and enter in columns 8, 9, 10, and 10½ of Forms 23 A and 23 B the amounts ascertained to be assessable, including the amounts returned by the collector, if found correct. He will also enter at the foot of the list the amount reported by the collector on Form 58. In the case of special taxes, if the serial number of the stamp is not reported, the tax will be assessed. Amounts entered in columns 8, 9, and 10 will be included in the amount to be receipted for on Form 23½, but the amounts entered in column 10½ will not be entered in the receipt. The collector will, however, exercise the same care in collecting these taxes as in the case of taxes included in the receipt. He will also make monthly reports of these taxes on Form No. 325, and in accordance with instructions printed on the form. The last report on Form No. 325 by an outgoing collector will be that for the last full calendar month in which he remains in office, and the first report of the incoming collector will be for the calendar month in which he enters upon the duties of his office.

The list will then be sent to the collector, who will, on receiving and critically examining the same, receipt therefor in triplicate on Form 23½, the original and duplicate of which receipt will be sent to the Commissioner of Internal Revenue, and the triplicate will be securely attached to the copy of the list on Forms 23 filed in the collector's office. The amount of this receipt will be taken up on Forms 51 and 79 in the usual manner. It is greatly to be desired that the number of receipts on Form 23½ be limited to twelve in each year, or one for each month, and care should be exercised to have each list on Forms 23 as complete as possible when sent to the Commissioner; but any tax inadvertently omitted should be included in the list for the next month, with a note in column 7 briefly explaining the cause of delay. Failure to include in that list any such amount will be deemed a serious neglect of duty by the collector so omitting the same. If it shall be discovered that a tax which should have been reported for assessment on a given list is not reported on that list, nor on either of the two next succeeding lists, the omission on the part of the collector to report will be regarded as a case of gross neglect, calling for special action. If the list for any given month transmitted to the collector is incomplete by reason of the assessment against any person or firm being too small, or by reason of an omission to make an assessment recommended in column 6, the name of the person against whom the collector desires the assessment to be made with the proper amount stated in column 6, will be returned by him on the list for the following month.

If the collector inadvertently neglects to report an amount for assessment for any given month, the error will usually be remedied by reporting the amount on the list for the succeeding month. If, however, a month's delay would render the assessment invalid by reason of the 15 months' limitation, the collector will return the list and triplicate

receipts for the month for which the assessment should be made, and the assessment will be made on the list so returned. In case the collector thinks that the amount certified to him on Form 23½ is incorrect by reason of an erroneous assessment, he will not state another amount in his receipt, but will sign the receipt as certified, unless there should be an error in the footing up. In the latter case the collector should at once return the unsigned receipt with a statement showing the page and column in which the error is to be found, when, if the facts warrant, new triplicate receipts will be prepared, showing the correct amount to be receipted for.

Erroneous assessments will be adjusted in the following manner: If too large, by claim for abatement; if the assessment is too small, or an amount is omitted which should be included, the deficiency or amount omitted should be reported for assessment on the next succeeding list.

Collectors are specially cautioned against leaving their deputies with too small a supply of Form 24, against making entries in columns 8, 9, 10, 10½, and 16 of Forms 23 A and 23 B, and against confounding the monthly return on Forms 23 with those made on Forms 51, 22, and 49.

On the list being returned by the Commissioner the collector will serve notice on Form 17, and collect the amounts due, and fill up in ink, columns 11, 12, and 13 of Forms 23 A and 23 B. In that part of column 11 describing the nature of the service (see Circular No. 311), the letter "P" will indicate service in person, the letter "L" service by being left at the dwelling or usual place of business, and the letter "M" service by mail. On payment of special tax or other tax paid by a stamp, the collector will give only the special-tax stamp (or other stamp required) as receipt for the amount stated in column 10½, and a special receipt only for the amount stated in column 9 of Forms 23 A and 23 B. In other cases he will give a special receipt, Form 1, for the amount stated in column 10, Forms 23 A and 23 B. After giving the special-tax stamp the collector will enter the serial number thereof in column 15, Forms 23 A and 23 B. When taxes are abated the collector will enter the amount abated in column 12, the date of abatement in column 13, and the number of the abatement order in column 14, Forms 23 A and 23 B.

Collections which should be reported on Form 58 are as follows: Unassessed and unassessable penalties, interest, taxes previously abated, conscience money, and deficiencies in bonded accounts which have been collected, including tax and penalty collected on fermented liquor removed in bond for export and not properly accounted for; and also fines, penalties, costs, and forfeitures paid to collector by order of court or by order of the Secretary of the Treasury; amounts of penalties and interest received for validating unstamped instruments, and amounts received in compromise when deposited to the credit of the Treasurer of the United States. (See Secretary's Form A A and Office Form 140.)

Taxes and penalties imposed by section 3176, Revised Statutes, which should be assessed by the Commissioner of Internal Revenue, should not be reported on this form, but on Form 23, even though the amounts thereof may have been collected prior to their assessment. Taxes twice abated, or abated after collection, should not be reported on this form, but should be reported on Form 51, as "abated in excess." (See Regulations, Series 7, No. 2, Revised.)

Entries in the column headed "Description" should be full and explicit. If there is not room enough in one line to insert a full description, two or more lines may be used. This column should show distinctly the nature of the collections made, and why made. Unusual care is necessary in regard to penalties relating to special taxes. Any collection in excess of the amount shown by the table on page 28 (Circular No. 254) will be included in this form; and if any such excess, reported by the collector on this form, applies to any item in column 12, Form 23, the page and line of Form 23 must be indicated on Form 58; otherwise such excess may be added to Form 58 in this office. If a special tax, or other tax, previously abated, is entered on this form, the fact of previous abatement should be stated.

When the collector receives money from the clerk of a court, or by order of the Secretary of the Treasury, and reports on this list only a portion of the amount receipted for or received, he will state in the column headed "Description" the amount reported on previous lists, giving the amounts reported on each; and in case any portion of the amount receipted for should not be charged to him, he will state how much, and why he should not be charged. Also in case he does not report all money received in compromise and deposited to the credit of the Treasurer of the United States, he will state in the same column why he fails to report the whole amount.

The expression in the heading of the list, "and the amounts collected from each of such persons," means the amounts of unassessed penalties, interest, or other matters named only in the heading.

Care should be taken in making up the "Duplicate" of Forms 58 and 23, that entries be made on lines corresponding with those on which the like entries are found in the "Original," otherwise inconvenience and delay may arise in the adjustment of claims for abatement or refunding.

On line 36 of Forms 23 A, 23 B, and 58 should be entered the total of the amounts entered in column No. 6.

Money deposited to the credit of the Secretary of the Treasury should *not*, while thus deposited, be reported on this form. When transferred to the credit of the United States Treasurer, notice of the transfer will be given.

In reporting the collection of the 5 per cent penalty and 1 per cent interest, in accordance with the provisions of sections 3184, 3185, and 3187, Revised Statutes, the collector will state on what assessments

the collections are made, specifying the list as well as the name of the taxpayer and the article or occupation.

In compromise cases, where the money offered is deposited with the collector prior to acceptance of the offer, it should be deposited by the collector to the credit of the Secretary of the Treasury. The collector, in this case, will be notified when it should be reported on Form 58.

If the money offered is not paid until after the offer is accepted, it should be deposited by the collector with his other collections to the credit of the United States Treasurer as soon as received.

If the amount is received as penalty, or as taxes not assessed, it should be reported on Form 58, but if any is received as taxes which have been assessed, it should be applied to liquidating the assessment to that extent.

When the terms of the compromise have been complied with, report should, in all cases, be made by the collector to the Secretary of the Treasury on Form A A, and to the Commissioner of Internal Revenue on Form 167 revised.

PENALTY OF 5 PER CENT AND INTEREST AT THE RATE OF 1 PER CENT A MONTH.

Section 3184, Revised Statutes, requires that—

Where it is not otherwise provided the collector shall in person or by deputy, within ten days after receiving any list of taxes from the Commissioner of Internal Revenue, give notice to each person liable to pay any taxes stated therein, to be left at his dwelling or usual place of business, or to be sent by mail, stating the amount of such taxes and demanding payment thereof. If such person does not pay the taxes, within ten days after the service or the sending by mail of such notice, it shall be the duty of the collector or his deputy to collect the said taxes with a penalty of five per centum additional upon the amount of taxes, and interest at the rate of one per centum a month.

Section 3185, Revised Statutes, provides that—

All returns required to be made monthly by any person liable to tax shall be made on or before the tenth day of each month, and the tax assessed or due thereon shall be returned by the Commissioner of Internal Revenue to the collector on or before the last day of each month. All returns for which no provision is otherwise made shall be made on or before the tenth day of the month succeeding the time when the tax is due and liable to be assessed, and the tax thereon shall be returned as herein provided for monthly returns, and shall be due and payable on or before the last day of the month in which the assessment is so made. When the said tax is not paid on or before the last day of the month, as aforesaid, the collector shall add a penalty of five per centum, together with interest at the rate of one per centum per month, upon such tax from the time the same became due; but no interest for a fraction of a month shall be demanded: *Provided*, That notice of the time when such tax becomes due and payable is given in such manner as may be prescribed by the Commissioner of Internal Revenue. It shall then be the duty of the collector, in case of the nonpayment of said tax on or before the last day of the month, as aforesaid, to demand payment thereof, with five per

centum added thereto, and interest at the rate of one per centum per month, as aforesaid, in the manner prescribed by law; and if said tax, penalty, and interest are not paid within ten days after such demand, it shall be lawful for the collector or his deputy to make distraint therefor, as provided by law.

The notice of the time when the tax becomes due and payable will be given by the collector on Form 17, and the demand notice, made in case of nonpayment in compliance with the notice on Form 17, will be on Form 21.

Section 3186 of the Revised Statutes, as amended, provides that—

If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount shall be a lien in favor of the United States from the time when the assessment list was received by the collector, except when otherwise provided, until paid, with the interest, penalties, and costs that may accrue in addition thereto, upon all property and rights to property belonging to such person.

Collectors will observe great care in serving the notices to make the service upon the party liable to the tax, in order that the lien may be perfected against the party liable, with interest, penalties, and costs, as provided by section 3186. (See decision of the United States circuit court, eastern district of Missouri, in the case of United States *v.* Pacific Railroad Company, 23 Record, p. 384.)

When the penalty and interest are collected, the collector will report the same on Form 58 for the month in which the collection is made. He will also be careful to report the facts on the stubs of his receipts, Form 1, in such a way that, upon the receipt of the stubs at this office, there will be no difficulty found in identifying the amounts thereon with the amounts on Form 58. Collectors will also, in case of collections made on lists of other collectors, note on the stub the district to whose collector the list was forwarded from this office. Collectors will keep an accurate record of receipts placed in the hands of their deputies and see that the stubs are returned. If the deputy goes out of office before the book is entirely used up the partially used book must be returned to the collector. (See instructions in these Regulations as to the preparation of Form 58. See also p. 81, Series 7, No. 2.)

As there seems to be considerable misapprehension on the part of collectors relative to their duty, under the law, as to collecting the 5 per cent penalty, and 1 per cent per month interest on assessments, where claims for abatement have been filed in this office and subsequently disallowed, the following instructions are issued for their information and guidance:

If ten days are permitted to elapse between the notice, Form 17, prescribed by section 3184 of the Revised Statutes, and the time when a claim for abatement is first presented to one of the officers whose duty it is to add a certificate thereto (collector or deputy collector), or when one of said officers is first applied to for assistance in the prepa-

ration of such claim, liability attaches, and the penalty, as well as such monthly interest as may accrue before payment, should be collected. If, however, such steps are taken before the ten days elapse, *i. e.*, before the liability to penalty and interest attaches, the period intervening between the time of taking such steps, and the service on the taxpayer of an official notice of the rejection of the claim, should not be counted; but the ten days' limitation, within which, in order to avoid the penalty, the taxes must be paid, applies as before—that is, ten days exclusive of time not counted, as above, is all that can be allowed. The service of such notice on the taxpayer, if not personal, may be made by leaving the same at his residence or place of business with some person of suitable age and discretion, or by mailing, in which last case the service will be held to have been made on the day when in due course of mail the notice would reach the taxpayer.

The accrued interest should invariably be collected, at the rate of 1 per cent per month, for the full number of calendar months which intervene between the date of the expiration of the ten days' notice and the date of the payment of the tax. No interest for a fraction of a month shall be demanded. Interest is not regarded as a penalty, or as any part of a penalty, but simply as an amount paid for the use of money detained from the Government.

Attention is called to the following provision of the Revised Statutes, which appears to need no explanation:

SEC. 3191. When property subject to tax, but upon which the tax has not been paid, is seized upon distraint and sold, the amount of such tax shall, after deducting the expenses of such sale, be first appropriated out of the proceeds thereof to the payment of the tax. And if no assessment of such tax has been made upon such property, the collector shall make a return thereof in the form required by law, and the Commissioner of Internal Revenue shall assess the tax thereon.

G. W. WILSON,
Acting Commissioner.

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* Act of Mar. 3, 1877, p. 150, Compilation of 1889.
† Act of Oct. 18, 1888, p. 151, Compilation of 1889.
‡ Act of Oct. 1, 1890, p. 16, Sup. No. 1, Compilation of 1889.

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* Sec. 8, act of Mar. 3, 1877, p. 150, Comp. Int. Rev. Laws, Ed. 1889.
† Sec. 10, act of Aug. 2, 1886, p. 198, Comp. Int. Rev. Laws, Ed. 1889.
‡ Act of Aug. 2, 1886, p. 93, Compilation of 1889.

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* Act of Aug. 2, 1886, pp. 198, 199, 200, Comp. Int. Rev. Laws, Ed. 1889.

† Act of Aug. 2, 1886, pp. 93, 199, 200, Comp. Int. Rev. Laws, Ed. 1889.

‡ Act of Mar. 3, 1877, as amended by act of Oct. 18, 1888, pp. 150, 151, Comp. 1889.

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* Act of Aug. 2, 1886, p. 93, Compilation of 1889.

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* Act Oct. 1, 1890, Sup. No. 1, Compilation of 1889.

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* Act of Aug. 2, 1886, p. 93, Compilation of 1889.

(Series 7, No. 2—Revised.)

UNITED STATES INTERNAL REVENUE.

INSTRUCTIONS

TO

INTERNAL-REVENUE OFFICERS

CONCERNING

THEIR ACCOUNTS, ETC.

JULY 15, 1889.

WASHINGTON:
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TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, July 15, 1889.

The instructions and regulations relative to internal-revenue accounts, &c., heretofore issued in Series 7, No. 2, have been revised to conform to existing laws and regulations, and are now reissued as Series 7, No. 2, *Revised*, and collectors, their deputies and clerks, and all internal-revenue officers affected thereby, will be expected to comply strictly therewith.

JOHN W. MASON,
Commissioner.

Series 7, No. 2—Revised.

INSTRUCTIONS TO INTERNAL-REVENUE OFFICERS

CONCERNING

THEIR ACCOUNTS, ETC.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, D. C., July 15, 1889.

APPOINTMENT AND QUALIFICATION OF COLLECTORS AND DEPUTY COLLECTORS OF INTERNAL REVENUE.

Section 3142, Revised Statutes, provides that—

"The President, by and with the advice and consent of the Senate, shall appoint for each collection-district a collector, who shall be a resident of the same. When two or more collection-districts are united by him, he may designate from among the existing officers of such districts one collector for the new district, or, at his discretion, he may make a new appointment of such officer for said district."

Section 3143, Revised Statutes, as amended by act of March 1, 1879, provides that—

"Every collector, before entering upon the duties of his office, shall execute a bond for such amount as may be prescribed by the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, with not less than five sureties, to be approved by the Solicitor of the Treasury, conditioned that said collector shall faithfully perform the duties of his office according to law, and shall justly and faithfully account for and pay over to the United States, in compliance with the order or regulations of the Secretary of the Treasury, all public moneys which may come into his hands or possession; and he shall, from time to time, renew, strengthen, and increase his official bond, as the Secretary of the Treasury may direct, with such further conditions as the said Commissioner shall prescribe; and he shall execute a new bond whenever required so to do by the Secretary of the Treasury, with such conditions as may be required by law or prescribed by the Commissioner of Internal Revenue, with not less than five sureties; which new bond shall be in lieu of any former bond or bonds of such collector

in respect to all liabilities accruing after the date of its approval by the Solicitor of the Treasury. Said bonds shall be filed in the office of the First Comptroller of the Treasury."

Section 3144, Revised Statutes, as amended by act of March 1, 1879, provides that—

"It shall be the duty of collectors of internal revenue to act as disbursing agents of the Treasury for the payment of all expenses of collection of taxes and other expenditures for the internal-revenue service within their respective districts, under regulations and instructions from the Secretary of the Treasury, on giving good and sufficient bond, with such sureties, in such form, and in such penal sum, as shall be prescribed by the First Comptroller of the Treasury, and approved by the Secretary of the Treasury, for the faithful performance of their duties as such disbursing agents; but no additional compensation shall be paid to collectors for such services."

Section 3148, Revised Statutes, as amended by act March 1, 1879, provides—

"That each collector of internal revenue shall be authorized to appoint, by an instrument in writing under his hand, as many deputies as he may think proper, to be compensated for their services by such allowances as shall be made by the Secretary of the Treasury, upon the recommendation of the Commissioner of Internal Revenue. Allowances shall also be made in like manner for salary and office expenses of collectors, all of which shall be in lieu of the salary and commissions heretofore provided by law: *Provided, however*, That the salaries of collectors shall be fixed at two thousand dollars each per annum where the annual collections amount to twenty-five thousand dollars or less, and shall, by the Secretary, on the recommendation of the Commissioner, be graduated up to the maximum limit of four thousand five hundred dollars; which latter sum shall be allowed in all cases where the collections amount to one million of dollars or upward; and the collector shall have power to revoke the appointment of any such deputy, giving such notice thereof as the Commissioner of Internal Revenue may prescribe, and to require and accept bonds or other securities from any deputy; and actions on such bonds may be brought in any appropriate district or circuit court of the United States; which courts are hereby given jurisdiction of such actions concurrently with the courts of the several States. Each such deputy shall have the like authority in every respect to collect the taxes levied or assessed within the portion of the district assigned to him which is by law vested in the collector himself; but each collector shall, in every respect, be responsible, both to the United States and to individuals, as the case may be, for all moneys collected, and for every act done or neglected to be done, by any of his deputies while acting as such."

Section 3149, Revised Statutes, as amended by act March 1, 1879, provides that—

"In case of the sickness or absence of a collector, or in case of his temporary disability to discharge his duties, they shall devolve upon

his senior deputy, unless he shall have devolved them upon another of his deputies; and for the official acts or defaults of such deputies the collector and his sureties shall be held responsible to the United States.

"In case of a vacancy occurring in the office of collector, the deputies of such collector shall continue to act until his successor is appointed; and until a successor is appointed, the deputy of such collector senior in service shall discharge all the duties of collector, and also the duties of disbursing agent; and of two or more deputies appointed on the same day, the one residing nearest the residence of the collector when the vacancy occurred shall discharge the said duties until another collector is appointed. When it appears to the Secretary of the Treasury that the interest of the Government so requires, he may by his order, direct the said duties to be performed by such other one of the said deputies as he may designate. For the official acts and defaults of the deputy upon whom said duties are devolved, remedy shall be had on the official bond of the collector, as in other cases; and for the official acts and defaults of such deputy as acting disbursing agent, remedy shall be had on the official bond of the collector as disbursing agent. And any bond or security taken from a deputy by a collector, pursuant to section twelve of 'An act to amend existing customs and internal-revenue laws, and for other purposes,' approved February eighth, eighteen hundred and seventy-five, shall be available to his legal representatives and sureties to indemnify them for loss or damage accruing from any act or omission of duty by the deputy so continuing or succeeding to the duties of such collector."

DUTIES OF COLLECTOR'S, RELATING TO THE COLLECTION OF AND ACCOUNTING FOR TAXES.

Section 3163, Revised Statutes, provides that—

"Every collector within his collection-district and every internal-revenue agent shall see that all laws and regulations relating to the collection of internal taxes are faithfully executed and complied with, and shall aid in the prevention, detection, and punishment of any frauds in relation thereto. And it shall be the duty of every collector and of every internal-revenue agent to report to the Commissioner in writing any neglect of duty, incompetency, delinquency, or malfeasance in office of any internal-revenue officer or agent of which he may obtain knowledge, with a statement of all the facts in each case, and any evidence sustaining the same."

See also 3163 *a*, Compilation of 1889, page 51, for additional powers formerly possessed by supervisors, but now vested in collectors.

Section 3172, Revised Statutes, provides that—

"Every collector shall, from time to time, cause his deputies to proceed through every part of his district and inquire after and concerning all persons therein who are liable to pay a special tax, and all persons owning or having the care and management of any objects liable to pay any tax, and to make a list of such persons and enumerate said objects."

Sections 3173, 3174, 3175, 3176, 3177, 3178, 3179, 3180, and 3181 give directions and authority for ascertaining liability to tax.

Section 3183, Revised Statutes, as amended March 1, 1879, provides that—

"It shall be the duty of the collectors, or their deputies, in their respective districts, and they are authorized, to collect all the taxes imposed by law, however the same may be designated. And every collector and deputy collector shall give receipts for all sums collected by him, *excepting only when the same are in payment for stamps sold and delivered; but no collector or deputy collector shall issue a receipt in lieu of a stamp representing a tax.*"

Section 3184, Revised Statutes, provides that—

"Where it is not otherwise provided, the collector shall in person or by deputy, within ten days after receiving any list of taxes from the Commissioner of Internal Revenue, give notice to each person liable to pay any taxes stated therein, to be left at his dwelling or usual place of business, or to be sent by mail, stating the amount of such taxes and demanding payment thereof. If such person does not pay the taxes, within ten days after the service or the sending by mail of such notice, it shall be the duty of the collector or his deputy to collect the said taxes with a penalty of five per centum additional upon the amount of taxes, and interest at the rate of one per centum a month."

In case of neglect or refusal to pay taxes upon demand by the proper officer, it will be the duty of the collector or his deputy to enforce the collection, as provided in sections 3186, 3187, 3188, 3189, 3190, 3191, 3192, 3193, 3194, 3195, 3196, 3197 (as amended), 3200, 3201, 3205, 3207, and 3209, Revised Statutes.

Section 3218, Revised Statutes, provides that—

"Every collector shall be charged with the whole amount of taxes, whether contained in lists transmitted to him by the Commissioner of Internal Revenue, or by other collectors, or delivered to him by his predecessor in office, and with the additions thereto, with the par value of all stamps deposited with him, and with all moneys collected for penalties, forfeitures, fees, or costs; and he shall be credited with all payments into the Treasury made as provided by law, with all stamps returned by him uncanceled to the Treasury, and with the amount of taxes contained in the lists transmitted in the manner heretofore provided to other collectors, and by them receipted as aforesaid; also with the amount of the taxes of such persons as may have absconded, or become insolvent, prior to the day when the tax ought, according to the provisions of law, to have been collected, and with all uncollected taxes transferred by him or by his deputy acting as collector to his successor in office: *Provided*, That it shall be proved to the satisfaction of the Commissioner of Internal Revenue, who shall certify the facts to the First Comptroller of the Treasury, that due diligence was used by the collector. And each collector shall also be credited with the amount of all property purchased by him for the use of the United States, provided he faithfully account for and pay over the proceeds thereof upon a resale of the same as required by law."

Section 3219, Revised Statutes, provides that—

"In case of the death, resignation, or removal of any collector, all lists and accounts of taxes uncollected shall be transferred to his successor in office as soon as such successor is appointed and qualified, and it shall be the duty of such successor to collect the same.

Section 3216, Revised Statutes, provides that—

"All judgments and moneys recovered or received for taxes, costs, forfeitures, and penalties, shall be paid to collectors as internal taxes are required to be paid."

To secure strict compliance with the above-quoted provision of law, under the provisions of section 3215, Revised Statutes, the following instructions were issued to United States marshals by Circular No. 203, from this office, dated April 15, 1879:

"You are instructed hereafter to pay over the gross amount of all moneys received by you under process of the court, from whatever source, arising under the internal-revenue laws, into the registry of the United States courts, from which the process issues, immediately after collection, without any abatement or deduction of any description whatever, taking from the clerk of said court duplicate receipts therefor, one of which you will retain, the other is to be sent to this office, accompanied by your report on Form 116, revised April 15, 1879, of proceedings under final process.

"This regulation has been made necessary by the fact, as appears from reports received in this office, that United States marshals are frequently in the habit of themselves undertaking to distribute the moneys collected by them."

By Circular No. 204, from this office, dated May 1, 1879, the following instructions were issued:

"To Clerks of United States Courts:

"It appears from the quarterly reports required to be made by you to the Commissioner of Internal Revenue, under the act of March 1, 1879, received at this office for the quarter ending March 31, 1879, that at present there exists a great diversity of practice in the disposition of the moneys paid into court, received in suits brought under the internal-revenue laws.

"You are therefore instructed, in accordance with the provisions of section 3216, Revised Statutes of the United States, that all moneys recovered or received in internal-revenue cases for taxes, costs (including witness-fees), forfeitures, and penalties should be paid over to collectors of internal revenue for the districts in which the cases arose.

"If the United States district attorney shall elect to take two per centum of moneys collected or realized in any suit under the internal-revenue laws, in lieu of costs and fees in said suit, as provided in section 825, Revised Statutes, then this two per centum may, in accordance with the opinion of the honorable Attorney General, published in the Internal-Revenue Record, vol. 24, p. 130, be paid by the court directly to the district attorney.

"With this exception, the fees of district attorneys, clerks, marshals, and commissioners, in suits under the internal-revenue laws, are payable only on settling their accounts at the Treasury, as provided by section 856, Revised Statutes."

Section 3473, Revised Statutes, as amended, provides that—

"All duties on imports shall be paid in gold and silver coin only, *coin certificates* or in demand Treasury notes, issued under the authority of the acts of July seventeen, eighteen hundred and sixty-one, chapter five; and February twelve, eighteen hundred and sixty-two, chapter twenty; and all taxes and all other debts and demands than duties on imports, accruing or becoming due to the United States, shall be paid in gold and silver coin, Treasury notes, United States notes, or notes of national banks."

This provision of law, so far as it relates to silver coin, is understood to be modified by other laws, as follows:

By the act of July 22, 1876, *trade-dollars* are declared to be *not* a legal tender, and collectors are not required to receive them.

The standard silver dollar authorized by act of February 28, 1878, is a legal tender to any amount. The other silver coins, by section 3 of the act of June 9, 1879, are declared to be a legal tender in all sums not exceeding ten dollars, in full payment of all dues, public and private. This is understood to mean that when the *entire* amount to be paid by the tax-payer is not over ten dollars it can be paid in fractional silver coins, but if the amount is more than ten dollars such silver cannot be received except for the fractional part of a dollar involved in the payment; and this rule should be strictly followed, as the designated depositaries are required by the Department to receive on deposit only such silver *necessarily* received by collectors.

Whenever gold coin is received in payment of taxes, great care should be used to take none that appear to be less than the standard weight fixed by law. See sections 3511 and 3505, Revised Statutes.

The act of June 30, 1876 (19 Stats., 64), requires "that all United States officers charged with the receipt or disbursement of public moneys, and all officers of national banks, shall stamp or write in plain letters the word 'counterfeit,' 'altered,' or 'worthless,' upon all fraudulent notes issued in the form of, and intended to circulate as money, which shall be presented at their places of business; and if such officers shall wrongfully stamp any genuine note of the United States or of the national banks, they shall, upon presentation, redeem such notes at the face value thereof."

If, by inadvertence, a genuine note should be thus branded or cut, no loss can accrue to the person performing the act, every national bank being compelled to redeem its issue.

DISPOSITION OF PUBLIC FUNDS.

Internal-Revenue Receipts.

Section 3210, Revised Statutes, provides that—

"The gross amount of all taxes and revenues received or collected by virtue of this Title, or of any law hereafter enacted providing internal revenue, shall be paid, by the officers receiving or collecting the same, daily into the Treasury of the United States, under the instructions of the Secretary of the Treasury, without any abatement or deduction on account of salary, compensation, fees, costs, charges, expenses, or claims of any description; and a certificate of such payment, stating the name of the depositor and the specific account on which the deposit was made, signed by the treasurer, assistant treasurer, designated depositary, or proper officer of a deposit bank, shall be transmitted to the Commissioner of Internal Revenue: *Provided*, That in districts where, from the distance of the officer, collector, or agent receiving or collecting such taxes and revenues from a proper Government depository, the Secretary of the Treasury may deem it proper, he may extend the time for making such payment, not exceeding, however, in any case a period of one month."

The Secretary of the Treasury, under the provisions of this section, has directed, by circular issued from his office January 12, 1888, that collectors of internal revenue living in the same city or town with an assistant treasurer or designated depository, must deposit their receipts at the close of each day. Those at such a distance from a depository that daily deposits are impracticable, must forward their receipts as often as they amount to one thousand dollars, and at the end of each month, without regard to the amount accumulated.

These regulations are also applicable to deputy collectors located away from the collector's office.

Moneys accruing to the United States from suits brought for violations of internal-revenue laws, paid over by the clerks of the United States courts to the collectors, as directed in Circular No. 204, should be by them included in and deposited with their other collections. In all such cases the collectors should furnish the clerk with receipts in duplicate, the original to be forwarded to the Commissioner of Internal Revenue, and the duplicate to be retained by the clerk, and filed with the records of the court.

All collections must be deposited to the credit of the Treasurer of the United States, except moneys arising from sales made under section 3460, Revised Statutes U. S., and moneys received on offers in compromise *prior to the acceptance of the offer*, which must be deposited to the credit of the Secretary of the Treasury, and, while thus deposited, should not be reported on Forms 49 and 51, or any other report.

Whenever the cases in which such deposits have been made are decided, the amount accruing to the United States will be transferred to the credit of the Treasurer of the United States by a check sent to the depository from this office, and a new certificate of deposit issued to the collector, and he will then take up the amount in his accounts.

The full amount of all fines, penalties, and forfeitures received by the collector, is to be deposited to the credit of the Treasurer of the United States.

Collectors should carefully examine the certificates of deposit, when received from the depository, to see that they are absolutely correct as to *date*, *name* of collector and district, *amount*, both written and in figures, account to which applicable, and *signature*.

The "original" certificates of deposit should be forwarded immediately by the collector to the Secretary of the Treasury, the "duplicate" to the Commissioner of Internal Revenue, without letter, and not inclosed in any report or form, and the "triplicate" should be retained by the collector.

Collectors and their deputies are prohibited by law from depositing money received by them in payment of taxes in any bank not a Government depository, *even temporarily*. The collector or deputy may for greater security, if he choose, at his own risk, put his collections in a bank vault as a "special deposit," but funds thus deposited must in *no case* enter into the accounts of the bank.

Stamps should in no case pass out of the possession of the collector or deputy, except upon the payment of cash.

See section 1, act March 1, 1879 (section 3169*a*, page 55, Compilation of 1889), which provides—

"That any collector of internal revenue, or any deputy collector or other employee of, or person acting for, such collector, who shall issue any stamp or stamps indicating the payment of any internal-revenue tax, before payment in full therefor has been made to the officer or person issuing the same, shall be deemed guilty of a misdemeanor, and shall be fined for each stamp thus issued an amount equal to the face value thereof, in addition to the liability of the collector on his official bond on account of such stamp; and such collector, deputy collector, or employee shall be dismissed from office."

Section 3211, Revised Statutes, provides that—

"The Secretary of the Treasury is authorized to designate one or more depositories in each State, for the deposit and safe-keeping of the money collected by virtue of the internal-revenue laws; and the receipt of the proper officer of such depository to a collector for the money deposited by him shall be a sufficient voucher for such collector in the settlement of his accounts at the Treasury Department." (See section 5490.)

Section 3212, Revised Statutes, provides that—

"Every collector shall, at the expiration of each month after he commences his collections, transmit to the Commissioner of Internal Revenue a statement of the collections made by him within the month. And every collector shall complete the collection of all sums assigned to him for collection, and shall pay over the same into the Treasury, and shall render his accounts to the Treasury Department as often as he may be required."

COLLECTORS' RECORDS.

The following records are prescribed for use by collectors, and will be furnished from this office:

1. Daily Record of Collections on Lists; in which must be entered the date of each collection, name, residence, and occupation of taxpayer, on what list assessed, amount of tax, and assessed or unassessed penalty and interest paid.

2. Daily Record of Spirit Stamps, other than Tax-paid, issued; in which must be entered the date, name and residence of party to whom issued, and the number of the stamps of each denomination issued.

(Two sizes of this book are furnished—150 and 300 pages.)

3. Daily Record of Beer Stamps Sold; in which must be entered the date of each sale, name and residence of purchaser, number of each denomination, and the face value of the stamps sold, discount thereon, and amount received.

(Two sizes of this record furnished—100 and 200 pages.)

4. Daily Record of Tax-paid and Export Spirit Stamps Sold; in which must be entered the date of each sale, name of purchaser, and location of distillery, number of gallons represented by the stamps and coupons of each denomination sold, and the value thereof.

5. Daily Record of Cigar and Cigarette Stamps Sold; in which must be entered the date of each sale, name of purchaser, location and number of factory, number of the stamps sold of each denomination, and the value of the stamps sold each purchaser.

(Two sizes of this record furnished—150 and 300 pages.)

6. Daily Record of Snuff Stamps Sold; in which must be entered the date of each sale, name of purchaser, number of factory, number and value of the stamps sold of each denomination, total value of the stamps sold each purchaser, and the total value of the snuff stamps sold each day.

(Three sizes of this record furnished—150, 200, and 300 pages.)

7. Daily Record of Tobacco Stamps Sold; in which must be entered the date of each sale, name of purchaser, number of factory, and in

sales of stamps of the denomination of *five* pounds or less, the number, denomination, and value of the stamps sold. In sales of stamps of the denomination of *ten* pounds and upwards, the number of pounds represented by the stamps and coupons sold, and value of the same, should be entered instead of the number of the stamps.

(Two sizes of this record are furnished—100 and 200 pages.)

8. Daily Record of Special-tax Stamps Sold; in which must be entered the date of each sale, name of purchaser, location of place of business, serial number of the stamps, number of the coupons attached to the stamps of each denomination sold, and the value thereof, with the following exceptions, to wit, the stamps for stills and worms have no coupons attached thereto, and the number of stamps sold should be entered.

(Three sizes of this record furnished—150, 200, and 300 pages.)

9. Daily Record of Collections and Deposits. In this record should be posted daily, in the proper columns, the total collections of each day from each source, as shown in each of the preceding daily records from one to eight, the aggregate amount of such collections, and the date, number, and amount of each certificate of deposit on account of such collections. Each page will contain the entries for one month, and the monthly report on Form 49 should be an exact transcript from this record.

10. Record of Special Taxes. This is the record required by section 3240, Revised Statutes U. S., which provides that "each collector of internal revenue shall, under regulations of the Commissioner of Internal Revenue, place and keep conspicuously in his office, for public inspection, an alphabetical list of the names of all persons who shall have paid special taxes within his district, and shall state thereon the time, place, and business for which such special taxes have been paid." Each deputy collector who is in charge of a division, with his headquarters located away from the collector's office, will also keep a similar list of all persons within his division who have paid special taxes. Deputies who make their headquarters at the collector's office should keep an alphabetical list of special-tax payers in their divisions in such form that they can conveniently take it with them when canvassing their divisions.

(The record for the collector's office is supplied in two sizes—300 and 600 pages. The one for deputies varies slightly in title and headings, so that, in ordering, collectors should specify how they are to be used.)

11. Record of Cigar Manufacturers. This is the record required for recording the inventories and monthly returns of each cigar manu-

facturer. The printed headings to the various columns indicate the manner in which the entries are to be made.

(Three sizes of this record furnished—150, 300, and 600 pages.)

13. Record of Tobacco Manufacturers. This is the record required for recording the inventories and monthly returns of each tobacco manufacturer.

(Three sizes of this record furnished—150, 300, and 800 pages.)

14. Record of Distilled Spirits—Bonded Account. This is a record made up from Forms 59 and 86, giving full particulars relative to the deposit and transfer in and withdrawal from warehouse of each package of spirits produced and placed in bond.

15. Collector's Record of Bonded Distilled Spirits. In this book the collector should keep a daily record, in detail, of the entries and withdrawals of distilled spirits at each distillery warehouse in his district. Form 94*a* should be made up directly from this record, in accordance with the instructions pasted on the inside of the cover.

A 15. Collector's Record of Bonded Grape-Brandy. In this book the collector should keep a complete record of all grape-brandy deposited, transferred in, and withdrawn from special bonded warehouses in his district.

16. Record of Store-keeper at Rum Distillery. This record should show, in the proper columns, the materials brought into the distillery; the materials used for the production of spirits; the time when and quantity of spirits drawn from receiving-cisterns; the time of yeasting, and temperature, gravity, dry inches, and quantity of beer at time of yeasting, and at noon of each day thereafter, and time of emptying. In the latter part of this book is to be kept a record of the repairs on the distillery, and of the workmen employed in distillery.

17. Record of Store-keepers at Registered Distilleries. This record should show, in the proper columns, the materials on hand at first and last of month; the materials received on distillery premises during the month and from whom purchased, and the materials used for the production of spirits during the month, and fuel used; the fermenting-tubs filled and emptied; and time when and quantity of spirits drawn from receiving-cisterns. In the latter part of this book is to be kept a record of the repairs on the distillery, and of the workmen employed in the distillery.

17½. Supplemental to Record 17. This record is intended for use only at such distilleries where, by reason of the number of the daily transactions, it is impracticable to keep in Record 17 an itemized account of the materials received. (See Circular Letter No. 55, April 17, 1879.)

A 17. Store-keeper's Daily Record at Special Bonded Warehouse. In this book must be recorded each day the grape-brandy entered into and withdrawn from the warehouse, in accordance with detailed instructions printed on the inside of the cover.

18. Record of Store-keepers at Distillery Warehouse. This record must show in the proper columns the number of packages and the quantity in wine, proof, and taxable gallons of distilled spirits in warehouse at the beginning of the month and at the end of the month; the number and the serial numbers of the packages, and the serial numbers of the warehouse stamps affixed thereto; the quantity of spirits in wine, proof, and taxable gallons deposited in the warehouse each day; the number and the serial numbers of the packages, the serial numbers of the warehouse stamps, and of the tax-paid, or export stamps, as the case may be, affixed thereto; and the quantity in wine, proof, and taxable gallons withdrawn from the warehouse each day. The record must also show by whom the spirits are gauged, the date of gauging, to whom delivered, and for what purpose, the date of the collector's permit to deliver, the date of actual delivery, and the kind of spirits withdrawn.

A 18. Store-keeper's Monthly Record at Special Bonded Warehouse. In this book the store-keeper should keep on a separate page for each distiller a record in detail of the grape-brandy entered into and withdrawn from warehouse during the month.

19. Record of Beer Stamps Sold to Brewers. An account, showing date of sale and the number, denomination, and value of the beer stamps sold to each brewer, should be kept in this record.

20. Record of Brewer's Returns. An abstract of each brewer's return on Form 13, revised, should be kept in this record.

21. Record of Seizures and Sales of Real Estate. This is the record required by section 3203, Revised Statutes. The report on Form 128 should be an exact transcript of the monthly entries therein.

Each entry should be certified to *separately* (as required by law) by the collector or deputy signing his name opposite in the column of remarks.

22. Record of Claims for Abatement, Refunding, &c. An accurate alphabetical record of all claims for abatement, release of duplicate charges, or refunding should be kept in this book. This record should be carefully and accurately kept, to prevent the certifying of duplicate claims.

23. Record of Taxes Abated as Uncollectible. This record is intended exclusively for taxes which have been abated as uncollectible, and taxes abated as erroneously assessed should not be entered therein. Taxes

abated as uncollectible, which afterwards become collectible, must be collected and the amount received returned on Form 58. The date and fact of collection, and the particular assessment list on which returned, must be noted opposite the tax in this record.

25. Record of Legal Instruments Stamped. The quarterly returns on Form 8 should be made from this record whenever such reports are to be made.

29. The entries in this record should be an exact copy of each statement made by the collector on Form 51, including date and signature.

30. The entries in this record should be an exact copy of each report made by the collector on Form 68, including date, signature, and jurat.

31. The entries in this record should be an exact copy of each report made by the collector on Form 76, including date, signature, and jurat.

32. The entries in this record should be an exact copy of each quarterly account rendered by the collector on Form 79, including date and signature.

33. The entries in this record should be an exact copy of each report made by the collector on Form 90, including date, signature, and jurat.

34. The entries in this record should be an exact copy of each report made by the collector on Form 103, including date, signature, and jurat.

35. Tickler for Form 22. This is a blank book, ruled, with narrow columns, intended solely for use in facilitating the preparation of the monthly report on Form 22. The total of the collections from each specific source made each day should be entered in this book, duly classified and proved, so that at the end of each month it will be merely necessary to foot the columns and transfer the footings to a blank form 22.

38. Collector's Record of Bonds Received. This is intended to be a complete record of all bonds required to be filed in the collector's office, and embracing a record of the responsibility and liability of all parties signing such bonds as sureties. As soon as the bond is approved, the record of the same should be made in this book.

39. Record of Rectifying. In this book the accounts with every rectifier of the district are to be kept. It is to be made up from Forms 122 and 59, and should be balanced at the end of each month.

41. Account of Stamps issued to Wholesale Liquor-Dealers. This record is prescribed in Circular 150, and is to be made from Form 92. The entries are to be made daily, or as often as applications are received and stamps issued.

43. Collector's Record of Stamp Account with Deputies. In this book the collector will keep an account with each of his deputies outside of

his office who sell stamps that will show the number, denomination, and value of all stamps furnished them, posting therein, in aggregate, the sales reported and stamps returned by the deputies each month, so that the exact balance in the hands of each deputy at the close of the month will be shown.

44. Record of Seizures and of Sales of Personal Property. The first one hundred pages of this book should contain a record of all seizures made by collectors except seizures under warrant of distraint, including both real and personal property, and of all sales made by collectors of personal property thus seized. The last twenty pages of this book are headed and ruled for use in recording all seizures and sales of personal property made under warrant of distraint, and all such transactions should be entered therein. The printed headings indicate the nature of the entries to be made in each case.

45. Collector's Record of Registered Grain and Molasses Distilleries (prescribed by Circular Letter No. 53); in which is to be kept a complete record of all registered grain and molasses distilleries in the district, and in which will be entered the changes of capacity and a statement of the operations at each distillery, as indicated by the appropriate columns therein.

46. Collector's Record of Fruit Distilleries (prescribed in Circular Letter No. 54); in which will be recorded the number of the distillery, the name and post-office address of the distiller, and a succinct record of the operations at the distillery, as indicated by the columns in the book.

47. Record of Sales of Cigar, Cigarette, and Tobacco Stamps to each Manufacturer. In this book the collector should keep an account with each cigar and tobacco manufacturer of the stamps sold to him, showing the date of each sale and the number, denomination, and value of the stamps sold.

48. Collector's Record of Bonded Spirits Exported. This book is intended as a supplement to the collector's record of bonded distilled spirits (Form 15), for the use of those collectors in whose district spirits are exported. This record will furnish the information necessary to complete the entries on Forms 137 *a* and 137 *aa*, and to make report on Form 136 *a*.

49. Collector's Record of Bonded Tobacco Exported. From this record collectors will directly transcribe on the proper monthly report the particulars in regard to each lot of tobacco, snuff, cigars, or cigarettes exported under provisions of Regulations, Series 7, No. 8.

50. Record of Fruit-Brandy Gauged and Tax-Paid. This record is prepared for use by collectors in districts where there are a large num-

ber of fruit distilleries, and where the space provided in Record No. 46 for "brandy distilled each month, and date of payment of tax thereon," is not sufficient to enable the collector to keep a record of all such transactions. On a separate page for each distiller should be entered, on a separate line for each package, and in the proper columns, the date of gauge, name of gauger, month when produced, serial number of package, proof and wine gallons, and amount of tax, as shown by reports on Forms 15 and 59½.

51. Tickler for Spirit Stamps other than Tax-Paid. This book is intended for use in districts where, owing to the number of such stamps intrusted to gaugers, it is desirable to keep an exact record that will show at the close of each month the number and denomination of each book and number of stamps in each book in the hands of each gauger, as well as those in the office of the collector.

53. The entries in this record should be an exact copy of each report made by the collector on Form 177, including date, signature, and jurat.

54. Record of Suits and Proceedings. In this book should be kept a complete record of all suits and proceedings arising under internal-revenue laws except proceedings for the seizure and sale of real estate kept in Record 21.

55. Roster of Officers and Employés. In this book should be kept a complete record of every person employed in the internal-revenue service in any capacity in the district, showing name, official designation, address, compensation, date of appointment, discharge, and other data as indicated by the printed headings.

56. Record of Disbursements. In this record should be entered all payments made by the collector acting as disbursing agent, to deputies, clerks, and for rent, fuel, and other office expenses, and all payments made to store-keepers, and store-keeper-gaugers. The instructions accompanying the book should be carefully observed in preparing reports on Forms 44 and 44½, and this book is to be used as retained copies of such reports.

57. Consolidated Daily Record of Collections by Deputy Collectors. This record is intended for use by deputy collectors who are supplied with stamps for sale to taxpayers, in all cases where it may be practicable to enter their entire sales in one book. The entries are to be made as directed in instructions printed on inside of the cover.

58. Store-keepers Detail Record at Distillery Warehouse. This book is intended for use at warehouses where 1000 packages or more remain longer than three months, in which to keep a record of each package of spirits entered. It is to be used in *addition to and not as a substitute* for Record 18.

59. Record of Leaf Tobacco Purchased and Sold. This is the book furnished by the Government in which every dealer in leaf tobacco is required to keep a record of all his purchases and sales of leaf tobacco. Each dealer should be supplied by the collector with a copy of this book before January 1, of each year. The books are to be returned to the collector at the end of the year, or whenever the dealer discontinues business.

60. Record of Reports on Form 222. The entries in this record should be an exact copy including date, signature, and jurat, of each monthly report made by the collector on Form 222 of the receipt, sales, &c., of oleomargarine stamps.

61. Daily Record of Oleomargarine Stamps Sold—In which must be entered daily date of each sale, name of purchaser, number of factory, number, denomination, and value of the stamps sold.

62. Collector's Record of Oleomargarine. In this book should be kept a daily record of the production and withdrawal of oleomargarine at the manufacturies in the district. The entries should be made from the manufacturers' returns on Form 216, and from this record can be transcribed the detailed statements required in the collector's monthly oleomargarine account on Form 221.

63. Record of Examination with Microscope of Samples of Oleomargarine, &c. This is a book prepared for use by deputy collectors and other officers when making examinations with a microscope of samples taken from packages that it is suspected contain oleomargarine. It has printed headings indicating the character of the entries to be made. Size 4 by 7¼ inches, convenient for carrying in the pocket.

GENERAL INSTRUCTIONS RELATIVE TO COLLECTORS' RECORDS.

The accounts of collectors must be kept in the records prescribed on the preceding pages. No collector, however, is required to keep any more of the same than the nature of the collections in his district renders necessary, and if he has no transactions of the character mentioned in any one or more of the above list of books, the record prescribed for entries of that character need not be kept.

The collections of each day as shown by each of the daily records of collections and sales of stamps must be entered daily, and at the close of the day a red line should be ruled under each column in which entries have been made, each column footed, and the totals verified with the total in the value column, and the latter amount posted to the "Daily record of collections and deposits," Record 9.

Collections of taxes and sales of stamps reported by deputies on the different Forms 102 should be entered, in aggregate, on the day when received in the proper records, except reports of sales during any month received after the close of that month, which should be entered as sales of the last day of the month in which sales were made; consequently, the entries for the last day of the month cannot be completed, nor posted into Record 9, until the reports from deputies of all collections made in the month have been received and entered; and blank spaces sufficient for such entries should be left in each record, and the entries for the next month, if necessary, commenced on the succeeding pages. The totals of the columns should be carried forward until the end of the month only, and the entries for the next month commenced anew, so that each month's collections shall be distinct, and the monthly reports to the Commissioner of Internal Revenue should be verified therewith.

The collections for each month should be recapitulated, so as to show the amount collected by the collector and by each deputy, respectively, and the amount entered as collected by deputy should be accompanied by a note, referring by number to the particular form 102 covering the same, and each deputy should so number his reports on Form 102 that they may be readily thus referred to.

The grand total of the collections recorded in each of the other records will appear on the debit side of the "Daily record of collections and deposits." The certificate of deposit covering each day's collections should be posted on the credit side of the record. This record thus becomes the aggregate *cash book* of the office.

Where daily deposits of the exact amount collected are impracticable, whenever a deposit is made a line should be drawn under the entries in column 11 of this record embraced in the deposit and the certificate of deposit entered on the same line.

In the records numbered 30, 31, 33, 34, 53, and 60, the stamps on hand at the beginning of the month and those reported in previous month *in transitu* should be entered on the first day of the month; all stamps received during the month should be entered on the day they are received, those returned should be entered upon the day they are returned as *in transitu;* and if returned prior to the 15th of the month, this entry may be made in pencil, so that if acknowledged during the month it can be erased and the entry made as "returned per acknowledgment;" those previously returned should be entered on the proper line on the day of receipt of the acknowledgment of their return, and the sales for the month should be posted in on the last day of the month

from the aggregate sales shown in the records of collections. The balance shown will be the stamps on hand, which should be verified by actual count every month.

Collectors will be expected to keep their records neatly, and written up to date.

Printed instructions as to the manner of keeping these "records" are pasted on the inside of the cover of every one of the books prescribed and prepared by this office, which instructions should be carefully observed.

As the books described in the foregoing pages embrace all the records usually required to be kept in a collector's office, and as it is desirable to maintain uniformity in the manner of keeping the records of collectors' offices, collectors are not authorized to purchase any blank book *whatever* at the expense of the United States, without previously obtaining permission from this office to make such purchase. The letter of application must set forth the kind of book needed, for what purpose, size, style of binding necessary, number of pages, and probable cost.

The records furnished to a collector from this office are part of the official records of his office, and as such they should be carefully used and kept in as good order as possible.

Upon the expiration of his term of office, it is the duty of the collector to promptly transfer all the official records of his office to his successor, who will then become the lawful custodian thereof. *Any collector who knows of the existence of any such records belonging to his office, which have never been placed in his hands, should at once use the proper means to have them transferred to him, and in case of failure to secure the same, should report the fact to this office.*

This transfer of the records to a successor will not deprive the late collector of the privilege of having (with the permission of the collector) free access, during the usual business-hours, to such records, for purposes relating to the settlement of his accounts as collector.

GENERAL INSTRUCTIONS RELATIVE TO REPORTS.

Each collector should keep in his office an accurate list of the reports he is required to make to this office, and check off the same as soon as forwarded, in order that he may have tangible evidence that all reports due from him have been promptly filed, as the law (section 3147 Revised Statutes) provides that no payment shall be made to collectors until the Commissioner certifies that all reports due from them have

been received, or that a satisfactory explanation has been given for the delay.

Collectors should retain in their offices a copy, or in cases where a record is not prescribed for that purpose, a duplicate, of all accounts schedules, abstracts, and vouchers, which they send to this office.

All reports and accounts transmitted by the collector should be dated and signed by *himself*. All the schedules or abstracts should show the number of the district and name of the officer.

All bills for which credit is claimed should be made out against the collector in his official capacity.

Much confusion and apparent delay in the receipt of reports are frequently caused by their being sent to this office folded within other reports and papers with which they have no connection.

The "bonded account," and all papers relating thereto, should be sent in one package by itself; the "revenue account," and all papers relating thereto, in another; the "disbursing account," and papers connected therewith, in another. Certificates of deposit should never be sent folded within Form 49, or within any other report.

Letters should never be sent folded in a report or account.

Great effort should be made to file all reports within the time prescribed for that purpose. The collector should satisfy himself before a report leaves his office that it is accurate, and prepared in strict conformity to the regulations relative thereto, and has been verified by the corresponding records and reports. Inaccurate and incomplete reports are the principal cause of the delays which sometimes occur in the adjustment of accounts.

Money deposited to the credit of the Secretary of the Treasury should *not*, while thus deposited, be taken up on Forms 58, 22, 49, 51, 79, or any branch of the collector's account.

Whenever a new form of blank is prescribed for the use of officers of internal revenue, it should be at once adopted by them; and all the old blanks thus superseded should be destroyed, or otherwise disposed of, unless it is desirable to retain a few copies for reference or use in copying former reports.

MONTHLY REPORTS AND ACCOUNTS OF COLLECTORS.

FORM 4.

A Report of the Forms on which a Collector has nothing to report.

Reports on Forms 68, 76, 90, 103, 128, 152, 177, and 222 must be made, even though they should be in blank, for they are deemed necessary records of accounts.

Collectors, however, who are not furnished with any particular kind of stamps are not required to forward blank reports relative to that kind of stamps.

FORM 22.

Collector's Abstract of Amount Collected on each Article or Occupation.

This report must be forwarded to the Commissioner of Internal Revenue on or before the 10th day of the month succeeding the one for which it is made, and must show the amount collected on each article and occupation during the preceding month.

No blank should be used the ruling of which is so imperfect as to render it doubtful to which of two numbers an entry belongs.

Prior to the transmission of this report it should be carefully revised and a copy taken, to be retained by the collector.

FORM 23.

The Alphabetical Assessment List.

For full instructions relative thereto, see Series 7, No. 1, and also instructions printed on the form, Sheet A.

FORM 23½.

Collector's Aggregate Receipt for Taxes assessed by the Commissioner of Internal Revenue on Form 23, and certified to the Collector for Collection.—The original and duplicate receipt should be forwarded to the Commissioner of Internal Revenue, the triplicate retained by the collector.

FORM 42.

Collector's Estimate for Expenses.—See page 45 of these Regulations.

FORM 44.

Account Current as Collector and Disbursing Agent.—See page 47 of these Regulations.

FORM 44½.

Account Current, as Collector and Disbursing Agent, on Account of Disbursements to Store-keepers and Store-keeper and Gaugers.—See page 50. of these Regulations.

FORM 49.

Report of Collections and Deposits.

This report should be forwarded to this office as soon as possible after receiving the last certificate of deposit for the month, and in all cases within ten days after the last day of each month.

This report must exhibit the exact condition of the collector's cash account. It should show the aggregate amount of collections and deposits, made under the collector's present revenue bond, previously reported; the respective amounts collected each day from the several sources indicated thereon (which respective amounts must agree with the collector's daily records of the same); the total collections and deposits made each day, giving name of depository, date, and number of each certificate of deposit; the total collections and deposits for the month (which must agree with Forms 22 and 51), and the aggregate collections and deposits for the period as above, including the month.

Care should be taken that each column on Form 49 is correctly footed to show the total amount collected from each source during the month, and that the totals agree with the totals for the month as shown by the collector's office records of the same, also with the collector's reports for the month on Forms 68, 76, 90, 103, and 222.

Where daily deposits of the exact amount collected each day are impracticable, whenever a deposit is made a line should be drawn under the amounts in column 11 embraced in the deposit, and the certificate of deposit entered on the same line, so as to show distinctly just which day's collections are included in each certificate.

Form 51.

Collector's Statement of Tax Account.

This report is an aggregated monthly statement of the collector's liability for taxes and stamps.

It must be forwarded to the Commissioner of Internal Revenue within ten days after the expiration of each month, and must show the amount of taxes unaccounted for on each assessment list per last report; the amount of the assessment lists receipted for during the month; the amount of taxes collected on each list during the month; the amount of taxes abated by the Commissioner of Internal Revenue on each list during the month; the amount of credit on each list allowed by the Fifth Auditor during the month; the amount of unassessed penalties and all taxes collected during the month, but not receipted for; the amount of tobacco, spirit, beer, special-tax, and oleomargarine stamps on hand at the beginning of the month, the amount of each received from this office, the amount of each sold, and the amount of each returned to this office during the month; the amount of each issued specially by order of the Commissioner of Internal Revenue during the month; the amount of discount on beer stamps sold during the month; the amount of taxes outstanding on each list, and the amount of each kind of stamps remaining on hand on the last day of the month.

Taxes received from a predecessor in office or from collectors of other districts should be promptly reported on Form 51, by lists, and retained on that form until disposed of.

Unassessed penalties, interest, and taxes collected after having been abated, should be reported monthly on Form 51 as "advance collections," and should be returned on Form 58 for the month in which collected, so that the same can be included in the next receipt of the collector on Form 23½. Taxes abated after having been collected, or after having been previously abated, should not be reported on Form 58, but should be reported on Forms 51 and 79 as "taxes abated in excess."

Collections made in advance of the list of amounts properly assessable thereon should not be reported on Form 58, but reported on Form 51, for the month in which collected, as advance collections on the list in which they will be included.

Collections of taxes for which stamps are issued should be reported as "sales of stamps," and not as collections on the lists where assessed. See Circular No. 112, dated August 13, 1873.

Taxes abated on one list cannot be credited to any other list, and when taxes are collected while claims for the abatement thereof are pending, the collection should be applied to the list including the taxes, and if the taxes are subsequently abated, then the amount thereof should be reported at the foot of the lists on Form 51 as an amount abated in excess on such a list, specifying the list.

If the collection is made soon after the claim is filed, a letter should be sent to this office asking the rejection of the claim.

In taking up a list on Form 51, the full amount thereof should be entered in the margin, the amount of advance collections thereon previously reported should be placed underneath, and the net amount carried into the assessment column.

That part of Form 51 relating to stamps should agree exactly with the reports on Forms 68, 76, 90, 103, and 222, for the same month or period, except that amounts reported as "on hand" will include those *in transitu*, as no credit can be taken on Form 51 for stamps or coupons returned to this office until the collector has been officially authorized to take such credit.

Credit should not be taken on Form 51 for taxes abated by the Commissioner of Internal Revenue, or credits allowed by the Fifth Auditor, or on account of taxes covered by land bid off to the United States, until the collector has been officially notified that such credits have been allowed, and, in credits of the last two kinds mentioned, the number of the Revenue Report in which allowed must be noted on the Form.

A credit claimed on this Form, on account of taxes transferred to collectors of other districts, must be accompanied by the receipt of the collector to whom the tax is transferred.

The amount of collections reported on Form 51 should be the exact amount collected during the time covered by the report, and the footing of column 3 should include all collections on both lists and stamps, and this amount must correspond exactly with the amount reported on Forms 22 and 49 for the same month. Upon the collection of an assessed tax the date of payment should be properly entered upon the list opposite the assessment, and upon the receipt of a list, on Form 23, all advance collections on that list previously made should be at once noted thereon, with date of payment, and great care taken to mark on the lists when and how each item of tax is disposed of. Upon the receipt of an order of abatement, the number and date of the order, and the fact of abatement, should be entered at once upon the lists opposite every item of tax embraced in the abatement order.

Each report on Form 51 must be verified by comparison with an examination of lists, and actual count of stamps and coupons, before sending it to this office, and the report copied into the "Record of Form 51," prescribed for that purpose.

Form 51½ A.

Report of Condition of Uncollected Taxes.

This report is a supplement to the report on Form 51, showing the condition of the uncollected taxes reported outstanding on that form. It must be forwarded to the Commissioner of Internal Revenue within twenty days after the expiration of each month, and must show the amount of taxes on each list unaccounted for on the last day of the month, per the collector's report on Form 51; the amount thereof held as collectible; the amount thereof in litigation; the amount thereof the collection of which is suspended by order of the Commissioner of Internal Revenue (noting in column 12 the date of the Commissioner's letter suspending the same and the period for which suspended), the amount thereof covered by land sold on distraint and bid in for the United States (noting, as above, the date when bid in), the amount thereof covered by claims for allowances under the Fifth Auditor's Circular, dated January 18, 1888, and Commissioner's Circular No. 112, dated August 13, 1873, for which claims have been forwarded, but not yet allowed; the amount that has been paid by stamps, the stubs of which have not been returned, and for which claims for credit on

Forms 66 and 66 *a* have not been made; and the amount thereof covered by claims for abatement pending in this office; together with the numbers of the schedules upon which the claims are made.

In all cases, where taxes are held as collectible for a period of six months, the cause of delay in collecting the same must also be stated in column 12.

FORM 51½ B.

Report of Condition of Taxes in Suit.

This report must accompany Form 51½ *a* whenever 51½ *a* shows taxes in suit, and must show the names of the delinquent tax-payers; the amount due from each; the amount of each bond, and the date of reference to the United States district attorney; together with the past proceedings, present status, prospective action, character of bond, and probable results.

It is important that collectors should understand that they are not relieved from responsibility in regard to such taxes when they are placed in the hands of the district attorney for suit, but they will be expected to interest themselves in such cases, keep advised of their status, watch their progress, consult with the district attorney respecting them as occasion may require, and furnish him all desired information to enable him to bring each case to a speedy and successful issue. This report need not be forwarded when a collector has no taxes in litigation.

FORM 56.

Abstract of Vouchers for Disbursements to Store-keepers and Store-keeper and Gaugers—Accompanied by Vouchers on Forms 107 *and* 107½.

It should be forwarded with Form 44½, for the month for which it is rendered.

FORM 58.

Detailed List of Collections of Unassessed and Unassessable Penalties, Interest, Taxes previously abated, Conscience Money, and Deficiencies in Bonded accounts, and also Fines, Penalties, and Forfeitures paid to Collector by order of Court or by order of the Secretary of the Treasury, amounts of Penalties and Interest received for validating unstamped instruments, &c., appended to Form 23 *a.*—See Series 7, No. 1, for specific instructions.

FORM 61 *a.*

Collector's Annual Statement of Bonded Spirits.—See instructions under head of Form 94 *a.*

Form 68.

Collector's Report of Special-Tax Stamps.

This report must be forwarded in duplicate to the Commissioner of Internal Revenue within ten days after the expiration of each month. It must show the total number of special-tax stamp-*coupons* of each kind (except in the case of stills and worms, where the number of stamps should be entered), and the aggregate value thereof on hand on the first day of the month, received during the month, reported in last report as *in transitu* to the Commissioner, sold during the month, returned to the Commissioner *per acknowledgment*, returned in *transitu*, and on hand on the last day of the month. This report should be made up from the "Record of reports on Form 68."

Form 76.

Collector's Report of Tobacco, Cigar, and Cigarette Stamps.

This report must be forwarded in duplicate to the Commissioner of Internal Revenue within ten days after the expiration of each month, It must show the total number of tobacco, snuff, cigar, and cigarette stamps of each denomination, and the aggregate value thereof, on hand on the first day of the month, received during the month, reported in last report as *in transitu* to the Commissioner, sold during the month, returned to the Commissioner *per acknowledgment*, returned *in transitu*, and on hand on the last day of the month. This report should be made up from the "Record of reports on Form 76."

Form 90.

Collector's Report of Tax-Paid and Export Spirit-Stamps.

This report must be forwarded in duplicate to the Commissioner of Internal Revenue within ten days after the expiration of each month. It must show the number of gallons represented by the "tax-paid" spirit stamps of each denomination, and the number of export stamps and the aggregate value of the stamps on hand on the first day of the month, received during the month, reported in last report as *in transitu* to the Commissioner, sold during the month, returned to the Commissioner *per acknowledgment*, returned *in transitu*, and on hand on the last day of the month. This report should be made up from the "Record of reports on Form 90."

Form 177.

Collector's Report of Spirit Stamps other than Tax-paid and Export.

This report must be forwarded to the Commissioner of Internal Revenue within ten days after the expiration of each month. It must show

the number and denomination of stamps for distilled spirits, other than tax-paid and export, on hand on the first day of the month, received during the month, reported in last report as *in transitu* to the Commissioner, issued during the month, returned to the Commissioner *per acknowledgment*, returned *in transitu*, and on hand on the last day of the month. This report should be made up from the "Record of reports on Form 177."

FORM 103.

Collector's Report of Beer Stamps.

This report must be forwarded in duplicate to the Commissioner of Internal Revenue within ten days after the expiration of each month. It must show the total number of beer stamps of each denomination, and the aggregate value thereof, on hand on the first day of the month, received during the month, reported in last report as *in transitu* to Commissioner, sold during the month, returned to the Commissioner during the month *per acknowledgment*, returned *in transitu*, and on hand on the last day of the month.

In the sales reported on this form the face value, and also the net amount collected, as per Form 51, should be given.

If "brewers' permits" have been furnished, they must be reported on this form.

FORM 222.

Collector's Report of Oleomargarine Stamps.

This report must be forwarded in duplicate to the Commissioner of Internal Revenue within ten days after the expiration of each month. It must show the number of pounds represented by the oleomargarine stamps of each denomination, and the aggregate value of the stamps on hand on the first day of the month, received during the month, reported in last report as *in transitu* to the Commissioner, sold during the month returned to the Commissioner *per acknowledgment*, returned *in transitu*, and on hand on the last day of the month. This report should be made up from the "Record of reports on Form 222."

FORM 93.

C.—*Report covering discrepancies between amount of tax collected on distilled spirits as reported on Form* 94 *a*, *and the amount of "Sales Collected" shown on Form* 90. It should be filed with 94 *a*.

Instructions relative to this form will be found under the head of Form 94 *a*.

Form 94 *a*.

The Bonded Distilled Spirits Account.

General Instructions.—For detailed instructions see printed directions on fourth page of Form 94 *a*.

This account must be forwarded with the accompanying vouchers, and Forms 80, 179, and 240, to the Commissioner of Internal Revenue, within ten days after the expiration of the month for which the account is rendered. The detailed statements on the inside pages of Form 94 *a* will be prepared in the same consecutive order as the aggregates thereof appear on page 1 of said form.

Collectors will be careful, and they are hereby strictly instructed, to indorse on each and every accompanying voucher the nature of such voucher, the district and State, and the month and account to which it belongs. Forms 80, 179, and 240 should also be carefully indorsed. Forms 80 should be arranged according to the number of the distillery, the lowest number at the top and the highest at the bottom of the package, which should be carefully tied. Forms 240 should also be arranged and tied in a separate package, as in case of Forms 80, and will not, as heretofore, be folded inside of Form 80. Forms 179 should be arranged first in the order of the numbers of the distilleries. All these forms (179) relating to each warehouse, respectively, should be arranged together by order of dates of withdrawal, and held together by rubber bands, the whole to be well tied, as in case of Forms 80 and 240. Care should be taken to exclude from the inclosure containing the account (Form 94 *a*) all papers except the vouchers and the bonds (Form 80), the entries for deposit (Form 240), and the entries for withdrawal (Form 179). Returns on Form 59 should not be forwarded with Forms 94 *a*. Whenever there is a change of collectors during the month, two accounts will be required—one covering the period from the first day of the month up to the time when the outgoing collector retires from office; the other covering the balance of the month. In such cases, the date of the change should appear on the accounts, and each account must be accompanied by a full set of detailed statements and vouchers, signed by the collector who renders the account. The last account of the outgoing collector will not be approved unless it is also accompanied by the receipts of the incoming collector, as follows, víz:

First. A receipt in detail, covering the spirits remaining in warehouses, as shown on page 1, line 24.

Second. A receipt in detail for the Warehousing Bonds covering the spirits reported on page 1, line 24.

Third. A receipt in detail for the Export (Form B) and the Transportation (Form BB) Bonds, covering the spirits reported on page 1, line 21.

Fourth. A receipt in detail for the Warehousing Bonds, covering the spirits reported on page 1, line 22.

Fifth. A receipt in detail for the Transportation Bonds (Form II), covering the spirits reported on line 23. (See instructions under Form 138*aa.*)

The incoming collector will immediately upon the transfer of such bonds, carefully examine the same, *and in case of insufficiency* will require new bonds, at the same time reporting such case of insufficiency of bonds to the Commissioner, and to the former collector from whom they were received. (See Form 138*aa.*) The incoming collector should not receipt for spirits as in warehouse until satisfied that they are actually in warehouse.

Form 94*a*, and the accompanying detailed statements filed with it in this office, should never be pasted together, nor should the size of the form be diminished or increased, as these reports are bound together in this office, and any alteration of their size renders them unfit for that purpose.

The numbered vouchers to be transmitted with this account, rendered on Form 94*a*, are Forms 61 *a*, 93 *c*, 134 *a*, 138 *aa*, and 171.

The above-mentioned forms will be forwarded, as hereinafter indicated, when needed as vouchers.

Excess of spirits found upon regauge.

Where an excess of spirits is found upon regauge at the distillery warehouse for export, for transfer into manufacturing warehouse, or for withdrawal under sections 3294 (as amended), 3297, or 3464, Revised Statutes, or the act of May 3, 1878, or of May 28, 1880, the quantity so found will be taken up in a special entry. The name of the distiller, the *serial numbers af the packages in which the excess may be found*, and other details will be entered, and the quantity added to the total of the "Recapitulation" of spirits deposited in distillery warehouses for the month in which the excess is ascertained.

Credits on Account of Exportations.

No credit on account of spirits exported under section 3330, Revised Statutes, Regulations, Series 7, No. 4, revised, will be allowed unless Form 94*a* is accompanied by the canceled bonds and the evidence upon which such bonds were canceled, the clearance certificate and landing

certificate, Form G of the collector of customs, Form 206, the affidavits of sureties, and the bill of lading, and the certificate of the collector of internal revenue written across the face of the bond in red ink, to the effect that the tax on the deficiency between the quantity withdrawn from the distillery warehouse and the quantity reported has been paid or abated through an allowance under the provisions of the act of December 20, 1879. (See Regulations, Series 7, No. 4, revised.)

No credit on account of spirits exported under the provisions of the act of June 9, 1874, as amended by the act of March 1, 1879, will be allowed unless Form 94*a* is accompanied by the certificate of landing, "GG," prescribed in Regulations, Series 7, No. 4, revised, with Forms BB, 206, CC, affidavits of sureties, the clearance certificate, and detailed report of customs gauger, under the certificate of the collector of internal revenue, written across the face of the bond in red ink, to the effect that the tax on the deficiency (stating such deficiency in gallons) between the quantity withdrawn from distillery warehouse and the quantity exported has been paid or abated through an allowance under the provisions of the act of December 20, 1879. (See Regulations, Series 7, No. 4, revised.) Where the quantity of spirits shipped for exportation has been divided at the port of export into two lots, no credit will be taken on line 13 of Form 94*a* until both the lots are accounted for, as per Regulations, Series 7, No. 4, revised.

Store-keeper's Reports, Forms 86 and 87, and Gaugers' Reports, Forms 59*a*, 176, and 205.

Upon receipt of the collector's account (Form 94*a*), it is compared with the store-keeper's reports (Form 87). It is necessary, therefore, that the Forms 87 shall be received in ample time to be examined and compared with the daily reports on Forms 86, 59*a*, 176, and 205, before the Form 94*a*, forwarded by the 10th day of the month, is received. It is, therefore, required that each daily report on Forms 86, 59*a*, 176, and 205, of entries into and withdrawals from warehouse, shall be mailed to the Commissioner of Internal Revenue on the evening of the day for which it is rendered, and that the monthly report on Form 87 shall be mailed with the last daily report for the month. To this end, collectors will require store-keepers to make entries on their reports (Form 87) from day to day, so that only closing entries will be necessary on the day the report is mailed. If the mail does not leave the post-office nearest to the distillery on the last or first day of the month, the store-keeper will mail his final report on Form 86, and his monthly

report on Form 87, at the nearest post-office from which the mail departs on one of those days.

Each gauger on duty at a distillery warehouse is required to deliver, daily, to the storekeeper, a detailed statement on Forms 59 *a*, covering each package of spirits deposited into the warehouse during the day, and a detailed statement on Form 59 *a*, covering each package withdrawn during the day without a regauge; such a statement on Form 176, covering each package withdrawn during the day tax-paid upon a reguage, and such a statement on Form 205, covering each package withdrawn during the day for export, for transfer to manufacturing warehouse, for use of the United States or by colleges, &c., for use in their chemical laboratories, or for preserving specimens of natural history belonging to such institutions.

Should spirits be regauged for withdrawal on a day prior to the date of actual withdrawal, as when an assessment intervenes between the date of the regauge and the date of actual withdrawal, the report on Form 176 or 205, as the case may be, must be made, as in other cases, on the date of the withdrawal; but the date or dates of the regauge should be entered on the inside of the report. If spirits are withdrawn on a given day, of which spirits portions have been gauged on two or more different days, the several dates of regauging should be written in regular order across the face of the return over the items covering the packages gauged on each date respectively. The gauger who affixes the stamps, "tax-paid" or "export," as the case may be, will make the report. If this gauger does not also regauge the spirits, he will, on the line on which he gives the date of the regauge, also state the name of the gauger who made the regauge.

Instructions requiring gaugers to make reports on Forms 59 *a*, 176, and 205, covering spirits deposited in or withdrawn from distillery warehouses on dates other than the date of deposit or of withdrawal, as the case may be, are hereby rescinded, and collectors are no longer required to enter the serial numbers of stamps in these reports.

Forms 179, 206, and 240, and all forms forwarded by storekeepers and gaugers, should be properly indorsed.

The returns (Forms 59 *a*, 176, and 205) of spirits gauged or regauged, as the case may be, at distillery warehouses, which gaugers are required to deliver daily to store-keepers to be transmitted to this office with returns (Form 86), are furnished in three sizes—a small size capable of covering 25 packages, a medium size covering 75 packages, and a large size covering 175 packages.

Gaugers are directed to use these blanks in the most economical

manner consistent with the requirements of the regulations of this office.

Whenever the number of packages deposited by any distiller in a distillery warehouse during a given day is 25 or less, *one* report on Form 59*a* of the small size should be used; when the number so deposited is greater than 25 and less than 76, *one* report on Form 59*a* of the medium size should be used, and when the number so deposited is greater than 75 and less than 176, *one* report on Form 59*a* of the large size should be used. Unless the number of packages so deposited on one day exceeds 175, only *one* return on Form 59 *a* should be furnished to the store-keeper covering such deposits. In case, however, the number of packages so deposited exceeds 175, blanks will be used as follows:

176 to 200 packages, one large blank and one small blank.
201 to 250 packages, one large blank and one medium blank.
251 to 350 packages, two large blanks.
351 to 375 packages, two large blanks and one small blank.
376 to 425 packages, two large blanks and one medium blank.
426 to 525 packages, three large blanks.

The same rules will apply to the use of Forms 59*a*, 176, and 205, for withdrawals.

If the gauger uses two or more blanks (Forms 59*a*, 176, and 205), as the case may be, in making up his report, he will make a recapitulation, and indorse the total number of packages, serial numbers of packages and contents covered by such blanks, on a form of the small size, in which the others will be inclosed, and to which they will be securely fastened. If, however, two or more gaugers make reports for the same day of the same class of transactions, the store-keeper will make a recapitulation of such reports delivered to him for the day.

Collectors will see that each gauger on duty at distillery warehouses and special bonded warehouses is provided with a suitable supply of each size of each of the Forms 59*a*, 176, and 205, and store-keepers on duty at bonded warehouses will see that the gaugers' reports delivered to them to be forwarded with their daily reports (Forms 86, *A* 86, and *A* 86½) are prepared in accordance with the foregoing instructions.

These instructions and limitations will also apply to the use of the Forms 59*a*, 176, and 205, at special bonded warehouses.

Form 61*a*

Will be forwarded with Form 94*a* for the month of June of each year. The headings of this form must not be changed; but where spirits are

to be reported for which no appropriate heading appears, they will be entered in columns 16 and 17. (See instructions on Form 61*a* and Circular No. 320 of October 22, 1888.)

NOTE.—For instructions governing the manner of reporting the tax collected on "Deficiencies at warehouse" and at "port of export," see next page.

FORM 93*c*

Will show the amounts making up any discrepancy between the amount of tax collected on distilled spirits, as reported on Form 94*a*, and the amount of "sales collected" of tax-paid spirit stamps, as shown on Form 90. It will be filed with Form 94*a*.

FORM 134*a*

Will be forwarded each month with Form 94*a*.

Casks or packages of spirits remaining in bond, but not actually in warehouse, should be reported on this form. Whenever the quantity of spirits in warehouse is lessened by loss of one or more packages, from casualty, or in any way other than by removal on payment of tax or for exportation, or for transfer to manufacturing warehouses, or for scientific purposes, according to law, the quantity and other particulars should be reported in RED ink on this form for the month in which the loss, &c., occurs, and in BLACK ink for all subsequent months. The aggregate of the red-ink items will be vouchers for entries on line 14 of Form 94*a*, and the aggregate of the black-ink items for entries on line 22 of Form 94*a*. Spirits seized and held in the warehouse by the United States marshal will be reported on line 24 of Form 94*a* until removed from the warehouse, as, when they are sold by that officer, they will be transferred to this form. Items entered on this form will be reported thereon until the collector is directed by the Commissioner to drop them from the account.

When in the case of any given cask or package the quantity lost or removed is less than the entire contents, the quantity lost will not be reported on this form without special instructions from this office.

Whenever the tax is paid on spirits reported on Form 134*a*, or whenever, for any other reason, the collector is of the opinion that spirits reported on this form should be dropped from the account, the collector will so state, with reasons, in the column of remarks.

SPIRITS WITHDRAWN UNDER SECTIONS 3297 AND 3464, REVISED STATUTES, AND ACT OF MAY 3, 1878.

Collectors will take credit on Form 94*a* for spirits withdrawn for the use of the United States and for *alcohol withdrawn for scientific pur-*

poses, in accord ance with instructions printed on the back of the form, and will forward the permit of the Secretary of the Treasury with the bonded account as a voucher for such credit.

In cases where the permit is for a larger quantity than can be conveniently withdrawn at any one time, the person named in the permit may withdraw in such quantities and at such times as he may desire, provided that he deliver to the collector a receipt for each separate lot so withdrawn, stating the number of packages, the serial numbers of the same, the numbers of the warehouse stamps, and the contents of the packages in proof and taxable gallons. The collector of internal revenue will, in such cases, forward with the bonded account a statement (accompanied by the receipt of the person above mentioned) showing the name of the person to whom the permit was issued, the date of the permit, the quantity specified in the permit, and the quantity in proof and taxable gallons withdrawn during each previous month, as also during the current month, under said permit. The collector will forward the "duplicate permit" with the bonded account in which credit is taken for the delivery of the first lot.

Collectors will take credit for *loss by casualties* or for errors *only* when specially authorized to do so by the Commissioner.

The quantity of spirits seized and in the custody of the United States marshal, but remaining in warehouse, will be reported as indicated on page 36. (See Form 134*a*.)

Form 138*aa*.

Form 94*a* for the months of January, April, July and October will be accompanied by a report on this form (138*aa*), setting forth the character of the security afforded by the several warehousing bonds covering spirits reported on Form 94*a*, lines 22 to 24, at the close of the month for which the report is rendered. Reports on this form are also required to be forwarded with the last bonded distilled-spirits account rendered by any outgoing collector, and with the first account rendered by any incoming collector, and by a collector qualifying under a new bond during the month, and may also be furnished at any other time. For instructions as to the method of preparing this form, see last page thereof.

INSTRUCTIONS RELATIVE TO DEFICIENCIES.

In order to enable collectors to systematically and properly report the tax collected on deficiencies, ascertained either at the "distillery-warehouse" or at the "port of export," the following regulations are

published in connection with those for the "bonded distilled-spirits account:"

"*Deficiencies ascertained upon regauge at distillery warehouse of spirits withdrawn for 'export,' or for 'transfer to manufacturing warehouse,' or for withdrawal under sections* 3297 *or* 3464 *Revised Statutes.*"

The tax on all excessive leakages ascertained upon regauge at the distillery warehouse in either of these cases, when collected, will be reported as follows, viz:

1. On Form 94*a*, immediately following the total of the regular tax-paid withdrawals as to the distillery warehouse from which withdrawn, and to which they will be added, thus:

"A. B.," DISTILLER.

	Gallons.
Total (of tax-paid withdrawals)	147,893
Excessive leakage ascertained at warehouse on spirits withdrawn under † Bond ‡ of ———, 188—	45
Total	147,938

And this quantity, 147,938 gallons, will then be carried into the "Recapitulation of Form 94*a*."

2. On Form 93*c*, not reported on Form 90, for the month in which the tax is collected; and

3. Included in the amount on line 7 of Form 94*a*, revised July 28, 1888.

The date of the Bond B, BB, or II, or of the Secretary's permit will be entered in column 6 opposite the quantity of leakage tax-paid.

The leakage allowed under the Act of May 28, 1880, on spirits regauged for export, Bond "B" or "BB"; for transfer to manufacturing warehouse, "Bond II"; or for withdrawal under section 3297 or 3464 Revised Statutes, will be reported immediately following the leakage on regular withdrawals of the particular warehouse for the month, to which it will be added and carried into the Recapitulation of Loss allowed on account of leakage in warehouse.

Each deficiency (whether allowed or tax paid) on each bond is to be reported separately, and each bond should be reported separately. The date of the bond, or permit, will be entered in column 6, and the date of the withdrawal in column 7.

FORM 171.

Form 171 will show the quantity of spirits lost in transportation for export, on account of which credits are claimed on Form 94*a*. In

† "Export" or "Transportation," as the case may be.
‡ "Form B," "Form BB," "Form II," or as the case may be.

structions as to the preparation of the form are printed on the form itself.

"*Deficiencies ascertained upon regauge at port of export.*"

Deficiencies ascertained upon regauge at port of export will be treated as follows, viz:

Upon the receipt by the collector of the "clearance certificate," he will collect the tax on the deficiency, if any there be, subject to the provisions of the act of December 20, 1879, and Regulations, Series 7, No. 4, and report the same as follows, viz:

1. Under a separate heading of Form 94*a*, headed "Tax paid on 'deficiencies in export'," and on this report will appear the following data, viz:

"Name of distiller;" "Number of packages;" "Date of bond," (B or BB;) "Deficiency ascertained;" "Amount of tax" (collected on same;) "Date" (of the payment of the tax).

The aggregate of the number of gallons of deficiency and the "Amount of tax collected on the same," will be entered on line 12 of Form 94*a*, as "Tax paid on deficiencies in export."

2. On "Form 93*c*, not reported on Form 90," for the month in which the tax is collected.

3. The "Amount cleared," and the quantity upon which the deficiency-tax is collected, together with the quantity allowed under the act of December 20, 1879, &c., must equal the "Amount withdrawn." See Book 48, "Collector's Record of Bonded Spirits Exported," columns 3, 9, and 15; also instructions on inside of front cover thereof.

4. All collections of tax on deficiencies will be reported on "*Form* 58," of the month in which the collection is made, if not assessed before collection, and the same data that are noted above to be made on Form 94*a*, will appear on *Form* 58.

5. When in the case of spirits exported under the bond, Form B, the collector collects a tax on a deficiency ascertained at the foreign port between the quantity cleared at the port of export and the quantity landed at such foreign port, the collector will report the same as in the case of a deficiency ascertained at "Port of export," with the exception that the name of the *foreign port* will be stated in the detailed statement, Form 94*a*.

FORM 94*b*.

The Bonded Tobacco Account.

Instructions governing the preparation of the "bonded tobacco account" (Form 94*b*), and voucher Form 120, are given in full on pages

72 and 73 of Regulations, Series 7, No. 8, issued October 6, 1885, page 4, Supplement No. 1 of said Regulations, and on the back of the form.

Form *A* 94.

Bonded Brandy Account.

Instructions governing the preparation of the bonded brandy account (Form *A* 94), are to be found on pages 33 to 39 of Regulations, Series 7, No. 5, revised November 19, 1888.

Form 244

Will show the amounts making up any discrepancy between the amount of tax collected on distilled spirits, as reported on Form *A* 94, and the amount of "sales collected" of tax-paid spirit stamps, as shown on Form 90. It will be filed with Form *A* 94.

Form 108.

Monthly Report of Spirits Gauged.

This report must be forwarded to the Commissioner of Internal Revenue within ten days after the expiration of each month. It must show the number of gallons and the number of packages gauged by each gauger, store-keeper and gauger, and deputy collector and gauger, and for each rectifier and distiller during the month. The gauging at rectifiers must be reported so as to show the gauging before dumping, and gauging after rectification, separately. The gauging for distilleries must be reported so as to show the number and location of the distillery, whether gauged into warehouse, or withdrawn from warehouse. The number of gallons reported on this form will be the basis for computing the fees earned by each gauger during the month, and his monthly account on Form 150 must exactly agree therewith.

Form 128.

Report of Seizures and Sales of Real Estate.

This should be an exact report of all seizures and sales of real estate made during the month covered by the report. It should be made up from the Record No. 21, page 16 of these Regulations, and sent to this office within five days after the expiration of each month, and should when the seizure was made by virtue of the collector's distraint warrant set forth the name of the person assessed, the nature and amount of tax, the assessment list, the page and line thereof on which the tax appears, a full and accurate description of the property seized, the date of seizure, residence of owner, and date and mode of service of notice on him, the post-office, and the two other public places within the

county at which the notice was posted, and the date of posting each notice; also the name, date, and place of publication of newspaper in which notice was published, the distance of place of sale from the property seized, and the date of special order, if any, from the Commissioner; also adjournments, if any, not exceeding thirty days in all; the date of sale, and amount for which sold; the name and residence of the purchaser; the date of issue of the certificate of purchase; a detailed statement of the expenses of levy, advertising, officer's fee, &c.; when and by whom redeemed, and the nature of his interest; the amount of redemption money, and to whom paid; the date of deed and the name of grantee; date and place of record, when transmitted to the Commissioner, the collector's estimate of the market value of the property, and furnish all other information called for in the headings of the various columns of the form.

Seizures of real property made *for violation of Internal-Revenue laws* should likewise be reported on this Form 128, with brief statements of all important facts (whether called for in the headings of the form or not), such as the date of seizure, section, or sections of law violated, the date of report to the district attorney, if a custodian was placed in charge by the collector, his name, and compensation agreed upon, also, the date when the property was turned over to the United States marshal, &c., &c. When the information is too extensive to be entered in the column headed "Remarks," the collector may write across the ruled lines. The collector should obtain receipt from the marshal for real property seized by the former and turned over to the latter, and transmit such receipt together with report on Form 128, to the Commissioner of Internal Revenue. The account of the custodian for the period he had charge of the property under the collector should also at the same time be transmitted to the Commissioner.

Form 128½.

Report of Seizures and Sales of Real Estate.

This is a form of a certificate of the collector that there have been no proceedings in relation to real estate in his district during the month, and is to be substituted for Form 128 in every case where there has been no transaction in realty during the month.

Form 147.

Report of Changes among Cigar Manufacturers.

To be forwarded to the Commissioner of Internal Revenue within ten days after the expiration of each month, whenever there are any changes to report.

FORM 148.

Report of Changes among Tobacco Manufacturers.

To be forwarded to the Commissioner of Internal Revenue within ten days after the expiration of each month, whenever there are any changes to report.

FORM 154.

Collector's Weekly and Monthly Statement of Public Funds.

For instructions in regard to this form see page 64 of these Regulations.

FORM 221.

Oleomargarine Account.

Instructions as to the preparation of the Collector's Monthly Oleomargarine Account will be found on the back of the form. See page 47 of Regulations, Series 7, No. 9, revised April 26, 1889.

QUARTERLY REPORTS AND ACCOUNTS OF COLLECTORS.

FORM 8.

Report of Instruments Stamped.

To be forwarded to Commissioner of Internal Revenue within ten days after the expiration of each quarter whenever the collector has anything to report thereon.

FORM 49½.

Quarterly Schedule of Certificates of Deposit on Account of Internal-Revenue Collections.

To be filed with each account on Form 79.

FORM 79.

Collector's Quarterly Revenue Account.

This account must be rendered within fifteen days after the close of each quarter. The collector in this account will debit the United States with—

The amount credited in last account as "Taxes collected in advance of receipt of list.

The amount credited in last account as "Cash deposited in excess."

The amount of errors in former accounts corrected.

The amount of cash deposited, as per schedule on Form 49½.

The amount of taxes abated by the Commissioner under sections 3218 and 3220, as per orders of abatement.

The amount of claims for credit allowed under Fifth Auditor's Circular No. 12, and of duplicate charges claimed on Forms 66 and 66 *a*, as per Revenue Report No. —.

The amount of taxes transferred to other collectors or to successor.

The amount of taxes collected by predecesor while collector, on lists receipted for by collector.

The amount of 7½ per cent. discount on face value of beer stamps sold.

The amount of special-tax stamps and coupons returned.

The amount of tobacco, cigar, and cigarette tamps and coupons returned.

The amount of spirit stamps and coupons returned.

The amount of oleomargarine stamps and coupons returned.

The amount of beer stamps returned.

The amount of stamps issued specially by order of the Commissioner.

The amount of stamps transferred to successor, each kind stated separately.

The balance due United States, viz:

Cash on hand or deposited after the close of the quarter.

Special-tax stamps on hand.

Tobacco, cigar, and cigarette stamps on hand.

Spirits stamps on hand.

Oleomargarine stamps on hand.

Beer stamps on hand.

Uncollected taxes on hand.

The United States should be credited by the collector with—

The balance due United States as per last account rendered.

The amount of errors in former accounts corrected.

The amount of taxes collected on lists receipted for by successor in office.

The amount of taxes on lists received from other districts.

The amount of taxes receipted for on Form 23½.

The amount of spirit, tobacco and cigar, beer, special-tax, and oleomargarine stamps received, either from predecessor or Commissioner.

The amount of taxes, either collected or abated in excess of the lists.

The amount of excess collected in sales of stamps arising from fractions, &c., and not reported on Form 58.

The amount of taxes collected in advance of receipt of list.

The amount deposited in excess, if any.

The stamp and tax balances reported in this account should agree

with the balances reported on Form 51, respectively, for the last month of the quarter.

Form 49½ must invariably accompany Form 79.

Under the head of "Cash deposited," no amount should be included unless the certificate of deposit for the same bears date within the quarter for which the account is rendered.

If any item should accidentally be omitted in any account rendered, it may be included in any subsequent account as an item of "Errors in former account."

A collector whose term of office either commences or ends after the commencement of a quarter, must render a report on Form 79 for the fraction of a quarter during which he serves.

An outgoing collector should forward with his final report, on Form 79, aggregate receipts for taxes and with final reports on Forms 68, 76, 90, 103, 222, and 177 receipts for stamps transferred so his successor.

Whenever a collector files a new bond under any provisions of law, his account as collector under bonds previously given will be closed, and separate reports on Form 79 for the fractional parts of the quarter will be required.

Form 152.

Report of Government Locks, Seals, and Hydrometers.

This report must be rendered within ten days after the close of each quarter, and should show the number of locks, seals, hydrometers, and gauging-rods on hand at the beginning of the quarter, the number received during the quarter, the number of *seals* used during the quarter, and the entire number on hand at the close of the quarter.

MISCELLANEOUS REPORTS.

Form 117.

Report of Seizures made by Internal-Revenue Officers.

To be made to this office in every case, immediately after the seizure has been made.

Form 131.

Miscellaneous Expense Account.

This is a blank form to be used by collectors and other officers in rendering special accounts for expenses for which no specific form has been prescribed.

Form 144.

Annual Statement of Cigar-Manufacturers' Account.

On this form each collector should make annual abstract statements of the leaf-tobacco and cigar accounts of all cigar manufacturers in his district, taking the abstracts from the inventories and returns on file, and the books kept in his office.

This report should be rendered as soon as possible after the close of each year. Special reports on this form are to be made *only* when rendered necessary by the closing of business of any manufacturer liable to assessment for deficiencies. Special attention is called to the notes on the lower left-hand corner of the form.

Form 146.

Annual Statement of Tobacco-Manufacturers' Account.

This is an abstract, to be annually made by the collector, of the material, production, sales, and stamp-account of each tobacco manufacturer in his district, as they appear in the inventories and returns made to, and the books kept in, the collector's office.

This report should be rendered as soon as possible after the close of each year. Special reports on this form are to be made *only* when rendered necessary by the closing of business of any manufacturer liable to assessment for deficiencies.

ACCOUNTS OF COLLECTORS ACTING AS DISBURSING AGENTS.

Monthly Estimate (Form 42).

This is the form to be used by collectors in transmitting their monthly estimates of the sums required for payment of their own personal compensation, salaries and expenses of their deputies, rent, fuel, and light, and per diem of the store-keepers, and store-keeper and gaugers under assignment.

This estimate is reqired to be transmitted to the Commissioner of Internal Revenue between the first and fifth days of the month for which it is made.

Collectors should estimate for the amounts that will be required to pay the per diem of store-keepers, and "store-keeper and gaugers," for services to be rendered during the month while under assignment, and for services, if any, rendered in the previous month, for which funds to

make payment have not been advanced, and for the monthly portion of their annual allowance for their personal compensation, salary and expenses of deputies, rent, fuel, and light, *which will be one-twelfth of their allowance.*

Under a ruling of the First Comptroller of the Treasury, five per cent. of the amount of the annual allowance for the last month of each quarter will be retained until after the adjustment of the disbursing account of the collector for that quarter.

The number of store-keepers, or store-keeper and gaugers, assigned to Sunday duty, should be stated in the estimate separately.

Care should be taken to state the per diem rates allowed the respective classes of store-keepers and store-keeper and gaugers.

The first estimate of a collector should embrace the amount required to pay bills of store-keepers and store-keeper and gaugers which he may find remaining unpaid on assuming office, provided the services were rendered during the same fiscal year. If the services were rendered during a prior fiscal year, the vouchers should be completed, scheduled on Form 56, and forwarded with a "supplementary account" on Form 44½, as per instructions on page 52 of these regulations.

No estimate should be made on Form 42 for expenses of office (provided for in the annual allowance) incurred in a previous quarter, or during a predecessor's term of office. Such items are considered by the accounting officers in adjusting the accounts if properly claimed.

Collectors will use the first column for dollars and cents in filling out the amount under each head, leaving the last column blank, to be filled out in this office, and will as nearly as possible enter the exact amount required on the line indicated therefor, especially of the amount needed to pay store-keepers and store-keeper and gaugers. Moneys advanced for payment of store-keepers and store-keeper and gaugers, or moneys advanced under the collector's annual allowance, in excess of the amount required for periods in the same fiscal year prior to the month covered by the estimate, should be deducted as "cash on hand" in making the estimate for the last month of each quarter, but should not be deducted from the estimates for the first and second months of the quarter.

Moneys advanced to pay bills for services rendered in one fiscal year should not be deducted as "cash on hand" on estimates covering periods in another fiscal year. (See instructions relative to such balances on page 50 of these regulations.) As funds for the payment of store-keepers and store-keeper and gaugers are advanced from another appropriation than that for expenses of collector's office, the sum to be

deducted as "cash on hand" must be separated so as to show the amount under each head, because moneys advanced to pay the per diem of store-keepers and store-keeper and gaugers (appropriation for salaries and expenses of agents and subordinate officers of internal revenue) can be used only for that purpose, and money advanced under the collector's annual allowance (appropriation for salaries and expenses of collectors of internal revenue) can be used only in making the payments provided for under the collector's annual allowance.

It is believed that in most cases collectors, in making their estimates for the last month of the quarter, will be able to exactly determine the amount that can be deducted as "cash on hand," so as to leave no disbursing funds in their hands at the end of the quarter.

Promptness on the part of collectors in forwarding their estimates to the Commissioner of Internal Revenue, will insure promptness in the transmittal of their drafts from this office.

Monthly Account Current (Form 44).

Monthly account current of collector, acting as disbursing agent, on account of expenses of office, per vouchers scheduled on Forms 63 and 85, and for personal compensation.

The following is a copy of the "revised form:"

The United States in account current with ——— ———, collector of internal revenue and disbursing agent of the Treasury for the —— district of ———, for the month ending ———, 188—, under official bond dated ———, 18—.

DR.

1. To balance due collector, per last account.....
2. To errors in previous accounts.....
5. To expenses of office, per Forms 63 and 63½.....
6. To personal compensation.....
7. To stationery, per vouchers with Form 85.....
8. To postage, per vouchers with Form 85.....
9. To express and depositing money, per vouchers with Form 85.....
10. To advertising, per vouchers with Form 85.....
11. To miscellaneous expenses.....
13. To balance due the United States.....

CR.

14. By balance due the United States, per last account.....
15. By errors in previous accounts.....
16. By Treasurer's draft, No. ——.....

By Treasurer's draft, No. ——, to pay balance found due, per adjustment of account for the year ending 18— :

17. By balance due the collector.....

The account on Form 44 must be filed in the office of the Commissioner of Internal Revenue on or before the 15th day of the month succeeding the one for which it is rendered. If the draft for any month does not reach the collector until after the close of that month, this account must be filed within ten days from the date of the receipt of the draft. This necessitates prompt rendering of all bills as well as prompt payment. The accounts on this form, for the first and second months in the quarter, should be accompanied only by vouchers on Forms 63½, covering payments to deputies and clerks for the first and second months. The account for the last month in the quarter should be accompanied by vouchers on Forms 63½ for the last month in the quarter, and by vouchers for rent, fuel, and lights (when provided for) for the entire quarter, and by the schedule on Form 63, required by instructions on page 53, and the schedule on Form 85, with vouchers for the entire quarter required by instructions on page 56 of these regulations.

That portion of the collector's monthly draft advanced on account of salary and expenses of office as a monthly portion of his annual allowance should be credited in the account for the month for which the amount is sent. An amount sent by draft to pay a balance found due per adjustment of the collector's account for a previous quarter in the same fiscal year, or under the same bond in the same fiscal year, should also be credited in the first account rendered after the receipt of the draft. After all liabilities of the collector on account of salaries and expenses of deputies and clerks, and for rent, fuel, and lights (when provided for), have been paid in full for the month, as required by regulations, the remaining portion of the draft should be retained by the collector as personal compensation for the month, and charged on line 6, unless the remainder is more than sufficient to pay the collector's salary in full for the month (per salary-table rate), in which case the amount still remaining will be a balance due the United States.

No voucher for a collector's salary is required. A new account should be opened on Form 44, with July (the beginning of each fiscal year), and whenever a new disbursing bond is filed with the month in which said bond is approved; consequently all expenses incurred during an expired fiscal year, or for the portion of the fiscal year covered by a previous disbursing bond, should be accounted for by accounts "supplementary" for the months terminating the respective periods.

The debit or credit balance, as the case may be, must always be carried forward from the previous account rendered, except from the June and last account under the old disbursing bond.

For instructions relative to supplementary accounts see page 52.

In rendering the account for the last month in the quarter, the amounts charged on line 5 in the two previous accounts, for payments to deputies and clerks, and for rent, fuel, and lights, should be deducted from the total expenses paid for the quarter, as scheduled on Form 63, and the remainder charged on line 5. The total of the three charges on lines 5 will then equal the total expenses, per Form 63, for the quarter.

The amounts charged on lines 6 in the two previous accounts, on account of personal salary for those months, should be deducted from the amount provided in the collector's allowance as personal compensation for the quarter, and the remainder charged on line 6. The three charges will then equal the quarterly salary allowed, and the account, on being completed will show (to balance) on line 17 the amount still due the collector on account of personal salary for the quarter, plus the amount of vouchers pertaining to Form 85, charged therein, and the balance (if any) still due for the previous quarter.

If, by any unavoidable delay, it should happen that bills for services rendered in any month cannot be paid until after Form 44 for that month has been made out and sent to this office, they should be entered in the first account on Form 44 made out after they are paid; but no effort should be spared to have all bills paid and entered in the account to which they belong, and at all events on the account on said form for some month in the quarter in which the bills unavoidably omitted were incurred.

When bills are presented for payment, which are for services in months or parts of months covered by former accounts rendered by the collector, the collector must certify on the face of each voucher "Not charged in any former account current." In no case should a duplicate charge be made in accounts current.

Lines 2 and 15 on Form 44 should be used only in correcting differences found by the accounting officers in adjusting the account for the quarter. If the amount found due, per auditor's statement, is greater than the amount shown to be bue by the account rendered for the quarter, the difference should be debited on line 2; if less, the difference should be credited on line 15, in the first account rendered as above.

A collector should never leave a balance of the one-twelfth of his annual allowance advanced him monthly, with the depository after the close of the month, unless the same is a balance actually due the United States, after making all payments in full for the month as required on page 55 of these regulations.

When such actual balance does accrue, it will be disposed of as "cash on hand" in making the estimate for the last month in the quarter. If the same accrues when rendering the account for June (the last month in the fiscal year), or in closing out the account under an old bond, the amount should be deposited to the credit of the Treasurer of the United States on account of the proper appropriation, and the duplicate certificate forwarded as a voucher to the account.

If the above instructions are strictly followed, the frequent deposit of such balances, which are actually due the collector and not the United States, will be avoided, and much delay and confusion in the adjustment of the accounts prevented.

Form 44½.

Monthly Account Current of Disbursements to Store-keepers and Store-keeper and Gaugers.

This account is required to be filed in the Office of the Commissioner of Internal Reuenue monthly, with schedule (Form 56) and vouchers, (Forms 107 and 107½), on or before the 15th day of the month succeeding the one for which it is rendered. If the draft for any month does not reach the collector until after the close of that month, this account must be filed within ten days from the date of the receipt thereof.

The following is a copy of the account on Form 44½:

The United States in account current with ——— ———, collector of internal revenue and disbursing agent of the Treasury for the ——— district of ———, for the month ending ———, 188—, under official bond dated ———, 18—.

	Dr.
To balance from last month	
To pay of store-keepers and store-keeper and gaugers, as per vouchers on Forms 107 and 107½, scheduled on Form 56	
To balance due the United States	

	Cr.
By balance from last month	
By Treasury draft No.—	
By balance due the collector	

The same regulations governing Form 44, relative to opening new accounts, carrying forward balances, and depositing unexpended balances at the end of the fiscal year, &c., apply to Form 44½. When supplementary accounts are required on Form 44½, see instructions on page 52 of these regulations.

STORE-KEEPERS AND STORE-KEEPER AND GAUGERS.

FORMS 107 AND 107½.

The monthly bills of store-keepers are required to be made out in duplicate on Form 107, and those of store keeper and gaugers in duplicate on Form 107½, and to be rendered promptly at the close of each month to the collector for payment.

The original bills on Forms 107 and 107½ are required to be scheduled by the collector on Form 56, arranged alphabetically, and forwarded by him to the Commissioner of Internal Revenue, as vouchers to his monthly account, on Form 44½.

Collectors should exercise particular care, in paying these bills, to ascertain that the services were actually performed for the time charged, and that the per diem rates are correct and in accordance both with the provisions of the appropriation act of July 7, 1884, and the regulations prescribed by the Commissioner, viz: Where the registered daily capacity of the distillery to which the officer is assigned is 20 bushels or less, $2 per diem; where the registered daily capacity is more than 20 bushels and does not exceed 40 bushels, $3 per diem; where the registered daily capacity is more than 40 bushels and does not exceed 60 bushels, $3.50 per diem, and where the registered daily capacity exceeds 60 bushels, $4 per diem.

In the case of a general storekeeper-gauger the rate of pay should be computed upon the aggregate surveyed capacity of the different distilleries assigned to him and actually in his charge, and, should this vary during the month, care should be taken not to exceed the rate to which he may be entitled at any given date.

Whenever the assignment of a store-keeper, or store-keeper and gauger, is revoked, the collector must indorse on the bill the date on which his services ceased.

Special care should be taken by the collector that all the blanks to Forms 107 and 107½ are properly filled, the account sworn to and receipted; that all reports due from the officer have been filed, as required by circular letter dated March 15, 1884, before payment, and that the same have been certified by him before forwarding to this office.

The affidavit may be made before any officer of internal revenue authorized by section 3165, Revised Statutes, United States, also before any other officer duly authorized to administer oaths. In case the affidavit is not taken before an officer of internal revenue, or an officer using a seal of office, said affidavit must be accompanied by the certificate of some other officer, with his seal of office attached, that the officer before whom the oath was taken was duly authorized to administer the same.

Bills of temporary store-keepers must have indorsed thereon by the collector the name of the regularly-assigned store-keeper, and why it was necessary to designate a temporary store-keeper in his place. (See Series 7, No. 7, page 27.)

When services alleged to have been performed on Sundays, or on Sunday nights, are charged for, the bill must be accompanied by a copy of the collector's letter directing the store-keeper to remain on duty on Sundays, or on Sunday nights, as the case may be, and, if the order does not specify why it was necessary for the store-keeper to remain on such days or nights, the collector will append to the bill the necessary explanation. (See Series 7, No. 7, page 28.) Care should also be taken, in case of a night store-keeper, to amend the monthly bill on Form 107, by erasing the word "days" in the tabular form, designating time employed, and inserting the word "nights" in lieu thereof, so that the same will read "nights of month" and nights and parts of "nights employed.

SUPPLEMENTARY ACCOUNTS.

Forms 44 and 44½.

Vouchers pertaining to Form 44, for expenses, &c., incurred during a fiscal year, for which the final (June) account has been rendered, or vouchers for expenses, &c., incurred under a previous disbursing bond, for which the account for the last month covered by the same has been rendered, will be scheduled on Form 63 or 85 (as the case may be) and forwarded with a supplementary account for the last month of the period to which the vouchers may pertain.

The balance from the last account rendered for the period, should in all cases be carried forward to the supplementary account; and, if a draft in the meantime has been received by the collector to pay a balance found due per adjustment for the period, the amount will be credited therein, and the differences (if any) per Fifth Auditor's statement noted as per instructions on page 49 of these regulations.

Supplementary accounts should be forwarded only in cases where there are vouchers for which credit is claimed, or vouchers for adjustment and payment by the Treasury Department, which have not been charged in a previous account.

Supplementary accounts will not be required hereafter merely for the purpose of acknowledging the receipt of a draft covering a balance found due per adjustment.

The preceding regulations also apply to making supplementary accounts on Form 44½ with Form 56 and vouchers.

Collectors should leave about two pages blank in their "Office record No. 56" at the end of each fiscal year or period (as above) on which to enter supplementary accounts on Forms 44 and 44½.

Form 63.

Quarterly Statement of Collector's Expenses of Office.

(Required to accompany Form 44 for the last month in the quarter.)

This schedule should show (in the column provided for that purpose) the amount paid to each clerk or deputy on account of salary and expenses for each month in the quarter; also the respective amounts paid during the quarter on account of rent, fuel, and lights. The three vouchers, covering monthly payments to each clerk or deputy during the quarter, should be numbered to correspond with the number of the line in the schedule on which the name appears.

Whenever the rate allowed for salary or expenses is changed during the quarter, the name affected thereby should be again taken up in the chedule, so as to show the respective amounts paid under the different rates.

Care should be taken to complete Form 63, so as to show the total amount paid each clerk or deputy for the quarter on account of salary and on account of expenses; also, that the annual rate allowed in each case for salary, expenses, rent, fuel, and lights is given, and that each column is correctly footed, and the schedule otherwise completed and sworn to.

Vouchers pertaining to Form 63 for expenses incurred in a previous quarter of the same fiscal year, and under the same disbursing bond, should be taken up in Form 63 after those for the current quarter have been scheduled, unless the same have been scheduled in Form 63 to the account for a previous quarter, in which case they should be forwarded separately, as pertaining to that account.

Form 63½ (Revised).

Monthly Bill of Deputy Collector or Collector's Clerk.

(To be made in duplicate, the original to be rendered by the collector to the Commissioner of Internal Revenue monthly, with Form 44, and the duplicate to be filed in the collector's office.)

This bill should be made out promptly at the end of each month by deputies and clerks, and rendered to the collector for payment.

Care should be taken that on the first page all applicable interrogatories are promptly and fully answered; that on the second page the "itemized statement" (in the case of an office deputy or clerk) shows

a brief and concise statement of the character of duty performed during the month, and in the case of a deputy collector who has an allowance for traveling expenses, that the "itemized statement" is made brief and concise, and when traveling is done on public business, the point in the division from which the departure is made, and the point or points therein visited during the day, and the number of miles traveled during the day, should be stated; and, also, each item of expense incurred on account of fare by public conveyance, for hire of livery, for meals, lunch, horse-feed, toll, ferriage, or lodgings must be noted separately, and carried out so as to show the total amount incurred during the day; and, also, that the aggregate of expenses incurred and the number of miles traveled during the month are correctly footed; and that the tabular form on the third page is filled out, so as to exactly correspond with the second page as regards each day's service, miles traveled, and expenses incurred, and that the bill is properly receipted and sworn to, and certified, &c., by the collector, before forwarding with the account.

Deputy collectors who have a specified allowance for traveling expenses will be required to file sub-vouchers with their monthly bills on Form 63½ for each item of expense claimed as having been expended under the provisions thereof when in excess of the sum of one dollar, except for charges for travel by public conveyance.

The required vouchers should be made out in ordinary mercantile form, serially numbered, and taken up in the "itemized statement" on 63½, opposite the dates when incurred, care being taken that hotel bills are complete as regards dates, receipts, per-diem rates, and amounts paid, and that livery bills state the kind of conveyance hired, the rate per day charged and paid, and the date or dates when actually used.

The allowance provided for the expenses of a deputy collector is intended to pay only expenses incidental to actual travel necessary to the performance of his official duties, consequently no other expenses should be taken up in Form 63½. Charges for board while on duty at the collector's office will not be allowed. (See page 98 of these regulations relative to amounts received by a deputy for traveling expenses in cases of seizure.)

Expenses incurred by a deputy collector in the performance of the duties of a "designated surveyor of distilleries" should be embraced in a separate bill on Form 133, and forwarded to Commissioner of Internal Revenue for payment.

A division deputy who provides his own horse and vehicle will be allowed to charge (under the proper dates) for the use thereof not

more than one dollar and fifty cents per day, or for his saddle-horse not more than one dollar per day, for each day the same were actually and necessarily used in canvassing his division. Deputies summoned to attend United States courts as witnesses will be allowed their actual expenses by the court, under the provisions of section 850, Revised Statutes, United States. No charge for expenses should therefore be made in Form 63½ for time thus employed, further than to designate the days so occupied.

The regulations require the collector to pay his deputies and clerks in full for each month (in accordance with the monthly rates prescribed in the Government salary-tables), both on account of salary and for expenses incurred, as hereinafter provided, from the amount advanced him monthly as a monthly portion of his annual allowance.

As the actual expenses incurred by a deputy vary, some months being more, other months being less, than the monthly *pro rata*, a question as to the correct amount to pay him is liable to arise. The correct amount will be readily ascertained, however, by pursuing the following course, viz:

Suppose the allowance is at the rate of $300 per annum, and the first month the deputy's expenses amount to $31.25, and he is paid (per salary-tables) $25.30; this will leave a balance of $5.95 to carry to the second month. In the second month his expenses amount to $10.50, which, with the excess of expenses from the first month, will make $16.45 to pay him in full to include the second month, and leave a balance of $8.85 of his allowance ($25.30) to carry to the third month. In the third month his expenses amount to $32.60 and his allowance to $24.40, to which add $8.85, balance from the second month, making $33.25, which will pay him in full and leave a balance of 65 cents to carry to the fourth month.

In this manner the deputy will be paid in full each month for actual expenses not in excess of his allowance

The same course should also be observed in paying expenses for the fraction of a month.

Rent, Fuel, and Light.

No form is prescribed for the vouchers covering expenses of this kind. They should be in the ordinary commercial form, and made in detail, showing date of payment, price, quantity, and character of each article purchased or expense incurred, and be receipted. If given by a firm, they are required to be receipted in the name of the firm, and by one of its members (the receipt of a clerk or agent will not answer), as provided in Circular No. 109, dated Treasury Department, First Auditor's Office, August 20, 1886.

Form 85.

Quarterly Statement of Collector's Miscellaneous Expenses, being expenses incurred for stationery, express-charges, depositing money, &c.

This report is required to accompany Form 44 for the last month in the quarter, with vouchers pertaining thereto for the entire quarter.

If no such expenses have been incurred during the quarter, that fact will be noted across the face of the blank, and the affidavit thereto completed, as the report is required to be forwarded whether there are vouchers or not.

Stationery.

Requisitions for all stationery required by collectors, deputy collectors, gaugers, store-keepers, and store-keeper and gaugers, should be made every six months by the collectors to this office on Form 2, and such care should be exercised as will avoid the necessity of purchasing from stationers. (See Circulars Nos. 40 and 60, dated May 6, 1880, and April 28, 1884.)

No bills for stationery will be allowed, unless authority for purchasing the same has been granted by this office, and a copy of the letter giving authority is filed with the voucher. The voucher should be a bill in the ordinary commercial form, giving date of payment and quantity and price of each article, and be receipted in the name of the firm by a member of the firm from whom the purchase is made.

Collectors will furnish gaugers and store-keepers with such articles of stationery as they may necessarily require for their official duties.

Printing, blanks, blank books, and binding.

No bill for printing or for blank forms, circulars, or blank books will be approved unless authority is first obtained from this office, and a copy of the letter giving authority is filed with the voucher, scheduled on Form 85. Letters asking such authority should state the necessity for the printing or blank books asked for, and the probable expense of the same. In the case of printing, a copy of the proposed circular or form should accompany the letter; and in case of blank books, the size, number of pages, and style of binding necessary should be stated, and if practicable a sample page of the proposed book should be forwarded.

(See Catalogue, No. 155, of Books and Blanks, Laws, &c., prepared for the use of officers of internal revenue, also pages 13 to 20 of these regulations.)

Collectors should have their assessment-lists and "Internal Revenue Record" bound in a suitable and economical manner, and the bills

therefor will be allowed, if reasonable and properly rendered and scheduled on Form 85. The bills for binding should state the number of lists or records in each volume and price per volume. Temporary covers should be used until enough lists have accumulated to constitute a fair-sized volume. For assessments-lists one volume for each fiscal year commencing with July is deemed sufficient.

Expense of depositing moneys.

The Secretary of the Treasury, by Circular No. 26, dated March 12, 1889, prescribed the following regulations in the transportation of revenues by express:

To all collectors, officers, or agents of the Treasury Department, engaged either in the collection or transfer of the revenue of the United States.

You are hereby notified that a contract has been entered into to take effect March 31, 1889, between the Government and the United States Express Company for the transportation over all the lines of the said United States Express Company, and through said company over the lines of other companies within the territorial limits of said contract, of all moneys under the control of the Treasury Department.

You are, therefore, hereby directed to employ said companies for the necessary transportation of all moneys and securities of the Treasury Department; said means of transportation being provided for the purpose of depositing with the Treasurer, an Assistant Treasurer, or National Bank Depositary of the United States, moneys collected on account of sales of public lands, internal revenue, or customs, and for shipments from deputy collectors of internal revenue or customs, to collectors, and for special purposes and under special circumstances, in accordance with instructions from the Department.

All moneys transmitted should be in packages of five hundred dollars or multiples thereof, as nearly as possible, and should be sent by the shortest practicable routes, but it is preferred that shipments be made in sums of one thousand dollars or multiples thereof whenever practicable. A mixed package, containing both currency and coin, should consist of not more than one thousand dollars.

The expenses of transportation will be paid only by the Department. Forms of vouchers and way-bills, to be used by all United States officers and express companies or their agents, in the transportation of moneys or securities under this contract, have been prepared by the Treasury Department, and their use to the exclusion of all others is imperatively enjoined. They are furnished in book form by the Secretary of the Treasury, on whom requisitions for them should be made.

The officers sending or receiving moneys or securities will, therefore, certify, in this form of voucher, to bills for services rendered, stating the sum transported, its character, the offices from which and to which sent, the date, and that the services charged for were actually performed. Where other transportation authorized under this circular, but not embraced in the original design of the forms, is required, such changes as may be necessary will readily suggest themselves, and are directed to be made in each case, the object being to secure a full statement of the facts pertaining to every transaction.

All officers and agents are cautioned to carefully count and pack their moneys or securities to be transported, securing them in strong packages, sealed with their own private seals in at least four places, and with the amount of each kind of money, their own names and titles, and the names and titles of the consignees plainly marked on the wrapper, taking receipts in the established forms from the express companies for all sums transmitted.

All correspondence upon the above subjects should be addressed to the Secretary of the Treasury.

The Government contract with the United States Express Company for the transportation of moneys and securities extends to all points accessible through established express lines reached by continuous railway communication, but does not embrace sea or river transportation of any kind, and does not extend westward beyond the Missouri River, but includes the States of Missouri, Arkansas, and Texas; consequently, bills of expenses for depositing moneys will not be allowed unless it is shown that it was impossible to deposit through the express company under contract with the Treasury Department. Should it be impossible for a collector to deposit through such express companies, he must send the money to the depository in the cheapest manner consistent with safety. The bills should show the amount deposited, the rate charged per thousand, and the points between which it is transported.

Freight packages.

All official matter, except money, stationery, and articles declared by law to be *unmailable*, whether forwarded from one officer of the service to another or to this office, will be transmitted by registered mail. Unmailable articles, such as hydrometer sets, extra stems, thermometers, &c., when sent to this office, should be forwarded by express, *the charges to be paid at this office.*

It is not expected that it will be necessary for collectors to file any bills for express charges with their expense accounts, other than for freight on stationery and express charges on hydrometers to and from their deputies and other subordinate officers.

Advertising and Printing.

Manuscript copies of all handbills, circulars, or other matter not specially required by law, must be submitted to this office, stating the necessity therefor, the quantity, and the cost of the printing, and approval obtained, before any engagement for such advertising or printing is made, and the date of the letter authorizing the same must be indorsed on the vouchers, or a copy of the letter attached thereto.

Vouchers for advertising and printing must be accompanied by copies

of the advertisements and the advertising-rates of each paper, and printed copies of handbills and other printed matter, and should be scheduled on Form 85.

The act approved June 20, 1878, provides—

"That hereafter all advertisements, notices, proposals for contracts, and all forms of advertising required by law for the several departments of the Government may be paid for at a price not to exceed the commercial rates charged to private individuals, with the usual discounts; such rates to be ascertained from sworn statements to be furnished by the proprietors or publishers of the newspapers proposing so to advertise: *Provided*, That all advertising in newspapers since the tenth day of April, eighteen hundred and seventy-seven, shall be audited and paid at like rates; but the heads of the several departments may secure lower terms at special rates whenever the public interest requires it."

The collector should in each case, so far as possible, satisfy himself that the rates charged are the actual rates paid by private individuals for similar advertisements, after deducting all discounts allowed in such cases.

A form for these bills (153), embracing the sworn statement required by the act above quoted, has been prepared, and should be used in all cases, a copy of the advertisement being attached thereto.

Surveying Distilleries.

Bills of collectors for personal expenses incurred in surveying distilleries may be made out against the United States on Form 133, or in ordinary mercantile form. The date of the survey (which should agree with the date of the report of survey rendered to this office), the name of the distiller, the number and location and capacity of the distillery, whether the same is for grain, molasses, or fruit, and if a new survey or a resurvey, must be stated. The sub-vouchers required to accompany the same should be numbered and entered in the bill in the order in which incurred.

In case one or more surveys have been made during the quarter, the whole number may be taken up in succession and described, as above, in one bill, and the total expenses attending the whole entered as one item in Form 85.

The regulations on pages 109 and 110, relating to accounts of designated assistant surveyors of distilleries, are applicable to the accounts of collectors for similar expenses.

Telegrams.

This office, as a rule, transacts its business by mail, and all telegrams sent to this office for the personal benefit of tax-payers or internal-rev-

enue officers, must be prepaid by the party benefited, and the answer returned from this office to such dispatches will be marked "*collect;*" the intention being that the party benefited shall pay for it, and not the United States; and the collector will forward such telegrams at his own risk, and can refuse to send a dispatch to this Department requiring answer, unless he is satisfied that the answer will be paid for by the party for whose benefit it is sent.

Telegrams to this office upon official business (not of a personal nature), should be sent only when demanded by the urgency of the business, and then at Government rates, marked "*collect.*" The answer, if properly chargeable to the United States, will be marked "*charge this office,*" and should not be paid for by the collector.

The telegraph must not be resorted to by officers, at the expense of the Government, except where the business is of the utmost urgency, involving Government interests.

Collectors will make such arrangements as will enable them to send orders for stamps, blank forms, &c., by mail. If care is taken by them to send such orders promptly, before their supply is exhausted, the necessity of telegraphing will, to a great extent, be avoided.

If these instructions are strictly complied with, it will never be necessary for the collector to make a charge in his account for telegraphing, except for dispatches not sent to this office, where the urgency of the business renders the use of the mails inexpedient.

In all such cases, each bill with a copy of the telegram attached should be scheduled on a sheet of paper, and in consecutive order as to the dates of the telegrams; the certificate of the collector, required by Circular No. 30, dated Treasury Department, March 21, 1889, viz.: "I hereby certify that the telegrams specified in the above bill were on public business connected with this office, and that they were necessary to the exigencies of the service," should be at the bottom of the sheet and the total amount scheduled, taken up as one item on Form 85.

Rates of Pay for Communications by Telegraph.

Under the authority of section 5266, Revised Statutes, United States, providing that, "telegrams between the several Departments of the Government and their officers and agents, in their transmission over the lines of any telegraph company to which has been given the right-of-way, timber or station lands from the public domain, shall have priority over all other business at such rates as the Postmaster-General shall annually fix," the following rates have been established for the year beginning July 1, 1888.

For day messages of not exceeding twenty (20) words, exclusive of date, twenty (20) cents for all distances not exceeding one thousand miles, and for each word in addition to twenty (20), excluding date, one cent for all distances not exceeding one thousand miles; all distances being determined by arbitrary average as hereinafter stated.

For distances (so determined) exceeding one thousand miles, one-tenth of the price of the message for one thousand miles, as above provided, is to be added for each one hundred miles or fraction thereof of additional distance; fractions of a cent less than one-half to be disregarded, and half a cent or more to be counted as one cent. But for no distance shall the price exceed fifty (50) cents for each twenty words, excluding date; nor the rate of two and one-half cents per word for words additional to twenty (20).

For night messages of not exceeding (20) words, exclusive of date, fifteen (15) cents for all distances below two thousand miles, and for greater distances twenty-five (25) cents, and in each case one cent for each additional word.

Instead of computing the actual distances of transmission, the distance for payment shall in all cases be taken absolutely to be the number of miles between the capital of the State or Territory, or from the city of Washington, if from within the District of Columbia, from within which (whatever the place) the message is sent, and the capital of the State or Territory, or the city of Washington, if within the District of Columbia, within which (whatever the place) the message is received, as shown in the accompanying table, wherein such distances are given as computed upon the shortest practicable route between such capitals, and which is to be taken as part of this order: *Provided*, That if the message be sent and received within the same State, Territory, or said District of Columbia, the distance for payment shall be taken absolutely to be the minimum distance of one thousand miles.

But it is provided, that if on the first day of July, 1888, or at any time during the ensuing year, any such company shall charge the public for a message of ten words or less, exclusive of the date, address, and signature, a less rate than is herein fixed for twenty words, exclusive of date, the rates here prescribed shall, as to such company thenceforce during the year, be reduced to the rates so charged to the public.

The rate for all messages in cypher known as the Signal Service Weather Report shall not exceed three (3) cents for each word sent over each circuit as now or hereafter established by the Chief Signal Officer of the Army; and all messages sent over a circuit shall be dropped at all designated offices therein without additional charge.

The statutes provide that telegrams between the several Departments of the Government and their officers and agents, in their transmission over the lines of any such company, shall have priority over all other business. All officers of the United States sending such telegrams should indorse upon the written message the words "Official Business," and should report to the Postmaster-General of any failure to transmit them in such priority and any charge made in excess of the rates above prescribed.

Each company will be allowed to charge for messages received from another line at the same rate as received from the Government direct for transmission over its own line.

Deposit of and Payments from Disbursing Funds.

The Secretary of the Treasury, in accordance with the provisions of section 3620, Revised Statutes, has, by Circular dated August 24, 1876, prescribed the following regulations relative to public moneys and official checks of United States disbursing officers:

"Any public money advanced to disbursing officers of the United States must be deposited immediately to their respective credits, with either the United States Treasurer, some assistant treasurer, or designated depoistary, other than a national bank depositary, nearest or most convenient, or, by special direction of the Secretary of the Treasury, with a national-bank depositary, except—

"(1.) Any disbursing officer of the War Department, specially authorized by the Secretary of War, when stationed on the extreme frontier or at places far remote from such depositaries, may keep, at his own risk, such moneys as may be intrusted to him for disbursement.

"(2.) Any officer receiving money remitted to him upon specific estimates, may disburse it accordingly, without waiting to place it in a depository, provided the payments are due, and he prefers this method to that of drawing checks.

"Any check drawn by a disbursing officer upon moneys thus deposited, must be in favor of the party, by name, to whom the payment is to be made, and payable to 'order' or 'bearer,' with these exceptions:

"(1) To make payments of individual pensions, checks for which must be made payable to 'order'; (2) to make payments of amounts not exceeding twenty dollars; (3) to make payments at a distance from a depositary; and (4) to make payments of fixed salaries due at a certain period; in either of which cases, except the first, any disbursing officer may draw his check in favor of himself or bearer for such amount as may be necessary for such payment, but in the last-named case the check must be drawn not more than two days before the salaries become due.

"Any disbursing officer or agent drawing checks on moneys deposited to his official credit, must state on the face or back of each check the object or purpose to which the avails are to be applied, except

upon checks issued in payment of individual pensions, the speisal form of such checks indicating sufficiently the character of the deibursement.

"Such statement may be made in brief form, but must clearly indicate the object of the expenditure, as, for instance, 'pay,' 'pay-roll,' or 'payment of troops,' adding the fort or station; 'purchase of subsistence' or other supplies; 'on contract for construction,' mentioning the fortification or other public work for which the payment is made; 'payments under $20;' 'to pay foreign pensions,' &c.

"Checks will not be returned to the drawer after their payment, but the depositary with whom the account is kept shall furnish the officer with a monthly statement of his deposit account.

"No allowance will be made to any disbursing officer for expenses charged for collecting money on checks.

"In case of the death, resignation, or removal of any disbursing officer, checks previously drawn by him will be paid from the funds to his credit, unless such checks have been drawn more than four months before their presentation, or reasons exist for suspecting fraud.

"Every disbursing officer when opening his first account, before issuing any checks, will furnish the depositary on whom the checks are drawn, with his official signature duly verified by some officer whose signature is known to the depositary.

"For every deposit made by a disbursing officer, to his official credit, a receipt in form as below shall be given; and if the credit is made by a disbursing-officer's check transferring funds to another disbursing officer, the essential items of the check shall be enumerated; if by a Treasury draft, like items shall be given including the warrant number; the title of each officer shall be expressed, and the title of the disbursing account shall also show for what branch of the public service the account is kept, as it is essential for the proper transaction of departmental business that accounts of moneys advanced from different bureaus to a disbursing officer serving in two or more distinct capacities, be kept separate and distinct from each other, and be so reported to the Department both by the officer and the depositary—the receipt to be retained by the officer in whose favor it is issued:

No. ——.

OFFICE OF THE U. S. (*Assistant Treasurer or Depositary*),

———, ———, 18—.

RECEIVED *of* ——— ———, ——$\frac{}{100}$ *Dollars, consisting of* ———, *to be placed to his credit as* ———, *and subject only to his check in that official capacity.*

$ ———.

——— ———,

U. S. (*Assistant Treasurer or Depositary.*)

"These regulations are intended to supersede those of January 2, 1872."

Great care must be exercised to keep the disbursing funds and accounts separate from the revenue funds and accounts, and from the private account of the collector.

Statement of Disbursing Funds (Form 154).

This statement should be made and sent to the Commissioner of Internal Revenue promptly at the close of business on Saturday of each week, and on the last secular day of each month, except when the last day is Saturday, when the regular weekly report will suffice. A report should not be mailed before the day of its date. The district, place of residence, and date on which the statement is made up, should be given at the head of the blank, and all blanks in and on the first fold of the report should be properly filled.

Opposite the words "on deposit with," should be placed the name of the United States depository where the funds are deposited, and the exact amount on deposit at the time the statement is made, after deducting all checks drawn to and including the day for which the statement is rendered.

If the regulations on the preceding pages relating to deposit of public funds are complied with, a disbursing agent should never have any money in hand unless specially authorized by the Secretary of the Treasury to so keep it, in which case the date of the letter of authorization must be given in each "statement," in the blank space provided therefor.

The aggregate of the amounts entered on the upper half of the statement as "on deposit,,' "in transitu," or "in hand," must exactly agree with the aggregate of the amounts entered on the lower half of the statement, as advanced on account of the appropriations for the respective fiscal years. When there are no funds "on hand" or "on deposit," that fact should be stated and the name of the usual place of deposit, in all cases, given in the statement. Funds sent by the disbursing agent to any United States depository should be reported as "in transitu" until the collector has been notified of the receipt of the same at the depository.

Penalty for Using Public Funds.

The following sections of the Revised Statutes of the United States are quoted here for the information and guidance of collectors of internal revenue and disbursing agents:

"SEC. 5488. Every disbursing officer of the United States who deposits any public money intrusted to him in any place or in any manner, except as authorized by law, or converts to his own use in any way whatever, or loans with or without interest, or for any purpose not prescribed by law withdraws from the Treasurer or any assistant treasurer, or any authorized depository, or for any purpose not prescribed by law transfers or applies any portion of the public money intrusted to him, is, in every such act, deemed guilty of an embezzle-

ment of the money so deposited, converted, loaned, withdrawn, transferred, or applied; and shall be punished by imprisonment with hard labor for a term not less than one year nor more than ten years, or by a fine of not more than the amount embezzled or less than one thousand dollars, or by both such fine and imprisonment." [See section 3620, and section 3651, Revised Statutes.]

"SEC. 5490. Every officer or other person charged by any act of Congress with the safe-keeping of the public moneys, who fails to safely keep the same, without loaning, using, converting to his own use, dedepositing in banks, or exchanging for other funds than as specially allowed by law, shall be guilty of embezzlement of the money so loaned, used, converted, deposited, or exchanged; and shall be imprisoned not less than six months nor more than ten years, and fined in a sum equal to the amount of money so embezzled. [See section 3639, Revised Statutes.]

"SEC. 5491. Every officer or agent of the United States who, having received public money which he is not authorized to retain as salary, pay, or emolument, fails to render his accounts for the same as provided by law, shall be deemed guilty of embezzlement, and shall be fined in a sum equal to the amount of the money embezzled, and shall be imprisoned not less than six months nor more than ten years. [See sections 3622, 3633, Revised Statutes.]

"SEC. 5492. Every person who, having moneys of the United States in his hands or possession, fails to make deposit of the same with the Treasurer, or some assistant treasurer, or some public depositary of the United States, when required so to do by the Secretary of the Treasury, or the head of any other proper Department, or by the accounting officers of the Treasury, shall be deemed guilty of embezzlement thereof, and shall be imprisoned not less than six months nor more than ten years, and fined in a sum equal to the amount of money embezzled.

"SEC. 5493. The provisions of the five preceding sections [sections 5488 to 5492, Revised Statutes, inclusive] shall be construed to apply to all persons charged with the safe-keeping, transfer, or disbursement of the public money, whether such persons be indicted as receivers or depositaries of the same. [See section 3652, Revised Statutes.]

"SEC. 5494. Upon the trial of any indictment against any person for embezzling public money under the provisions of the six preceding sections, it shall be sufficient evidence, for the purpose of showing a balance against such person, to produce a transcript from the books and proceedings of the Treasury, as required in civil cases, under the provisions for the settlement of accounts between the United States and receivers of public money. [See section 3625, Revised Statutes.]

"SEC. 5495. The refusal of any person, whether in or out of office, charged with the safe-keeping, transfer, or disbursement of the public money, to pay any draft, order, or warrant drawn upon him by the proper accounting officer of the Treasury, for any public money in his hands belonging to the United States, no matter in what capacity the same may have been received or may be held, or to transfer or disburse any such money promptly, upon the legal requirement of any authorized officer, shall be deemed, upon the trial of any indictment against such person for embezzlement, as prima-facie evidence of such embezzlement.

"SEC. 5496. If any officer charged with the disbursement of public moneys, accepts, or receives, or transmits to the Treasury Department to be allowed in his favor, any receipt or voucher from a creditor of the United States, without having paid to such creditor in such funds as the officer received for disbursement, or in such funds as he may be anthorized by law to take in exchange, the full amount specified in such receipt or voucher, every such act is an act of conversion, by such officer, to his own use, of the amount specified in such receipt or voucher.

"SEC. 5497. [As amended February 3, 1879.] Every banker, broker, or other person not an authorized depositary of public moneys, who knowingly receives from any disbursing officer, or collector of internal revenue, or other agent of the United States, any public money on deposit, or by way of loan or accommodation, with or without interest, or otherwise than in payment of a debt against the United States, or who uses, transfers, converts, appropriates, or applies any portion of the public money for any purpose not prescribed by law, and every president, cashier, teller, director, or other officer of any bank or banking association, who violates any of the provisions of this section, is guilty of an act of embezzlement of the public money so deposited, loaned, transferred, used, converted, appropriated, or applied and shall be punished as prescribed in section fifty-four hundred and eighty-eight. *And any officer connected with, or employed in, the internal-revenue service of the United States, and any assistant of such officer, who shall embezzle or wrongfully convert to his own use any money or other property of the United States, and any officer of the United States, or any assistant of such officer, who shall embezzle or wrongfully convert to his own use any money or property which may have come into his possession or under his control in the execution of such office or employment, or under color or claim of authority as such officer or assistant, whether the same shall be the money or property of the United States or of some other person or party, shall, where the offense is not otherwise punishable by some statute of the United States, be punished by a fine equal to the value of the money and property thus embezzled or converted, or by imprisonment not less than three months nor more than ten years, or by both such fine and imprisonment.* [See sections 3639, 3651, Revised Statutes.]

Duplicate Checks of Disbursing Officers.

In compliance with the requirements of section 3646, Revised Statutes United States, the following regulations have been prescribed by the Secretary of the Treasury:

Immediately upon the loss of a check, the owner, to better protect his interest, should, in writing, notify the officer or bank on which it was drawn of the fact of such loss, stating the name of the officer or agent by whom it was drawn, describing the check, giving, if possible, its date, number, and amount, and requesting that payment of the same be stopped.

In order to procure the issue of a duplicate check, the party in interest must furnish the officer or agent who issued the original check with

an affidavit, giving the name and residence of the applicant in full, describing the check and its indorsements, showing his interest therein, detailing the circumstances attending its loss, and what action, if any, he has taken to stop payment thereon. The affidavit must be made and signed before an officer authorized to administer oaths generally, and he must certify that he administered the oath. He must also furnish to the same officer or agent a bond, executed on the prescribed form and according to these instructions, which will be furnished to any officer or agent applying for them.

The affidavit and the bond, when executed, are to be indorsed by the officer or agent as having been submitted to him, and as being the proof and security upon which he has acted. After the expiration of six months from the time the original check was issued, the officer or agent will issue a duplicate, which must be an exact transcript of the original, especial care being taken that the number and date correspond with those of the original. These he will, without delay, forward to the Secretary of the Treasury, who, upon their receipt, will advise the office or bank on which the check was drawn that an application for a duplicate is pending, and the bank or office will immediately inform the Secretary whether a request has been made to stop payment of the original, and whether such original has been presented or paid, and, if not, a caveat will be entered, and payment will thereupon be stopped.

If the information obtained is satisfactory to the proper accounting officer of the Treasury, and he approves of the issue of the duplicate, and of the accompanying bond, he will certify such approval, in writing, on the papers, as well as on the duplicate check, and return them to the Secretary of the Treasury.

Any duplicate check issued in pursuance of these instructions, bearing such certificate and the approval of the Secretary of the Treasury, may, if properly indorsed, be paid by the Treasurer, the assistant treasurer, or depositary on whom it is drawn, subject to the same rules and regulations as apply to the payment of original checks; but no duplicate shall be paid if the original shall already have been paid.

In case of the loss of a check issued by a United States disbursing officer or agent who is dead or no longer in the service of the United States, the affidavit and bond required to be furnished by the owner of said check to an officer or agent in the service of the United States, prior to the issue of a duplicate check, should be forwarded to the Secretary of the Treasury, who will refer them to the proper accounting officer for examination and a statement of an account in favor of the owner of said check, as provided for in section 3647, Revised Statutes.

Whenever such an account shall have been stated, and an officer or agent charged with the amount of any duplicate check, the final accounting officer will notify the Secretary of the Treasury, in order that the amount of the original check, if remaining to the credit of the officer or agent in any United States depository, may be repaid into the Treasury, and carried to his credit and to the credit of the proper appropriation.

These regulations apply only to checks drawn for sums not exceeding $1,000.

ABATEMENTS, ALLOWANCES UNDER FIFTH AUDITOR'S CIRCULAR, ETC.

Abatement of Taxes.

Uncollectible Taxes.

Claims for abatement to the collector of uncollectible taxes not covered by bonds will be supported by the vouchers and certificates required by Series 7, No. 14, Revised.

Great care is enjoined upon collectors in the preparation of these claims and in certifying to the same on Form 48.

Circular No. 331, dated June 21, 1889, provides as follows:

Hereafter no suit will be brought for the recovery of unpaid internal-revenue taxes until the collector of the district shall have submitted to this office a full report of all material facts and circumstances connected with the case, and shall have received from the Commissioner express authority to report the case to the United States attorney for suit. [Section 3214, Revised Statutes.]

Where a bond has been given to secure the payment of the taxes for which suit is proposed, the collector should report the date and penal sum of the bond, and state whether there is reasonable expectation, founded upon careful inquiry, that collection of a judgment on such bond, when recovered, could be effected.

Whenever the original execution issued upon a judgment recovered in an internal-revenue suit in favor of the United States shall have been returned by the marshal, with the indorsement of *nulla bona*, or words to that effect, no *alias* execution shall issue, unless the United States attorney shall be of opinion that upon a new execution, if issued, moneys can be collected to the amount, at least, of the costs incurred; he may then direct in writing an *alias* execution to be issued; but if it be necessary to revive the judgment, it shall be his duty so to state to the Commissioner, and ask for instructions before proceeding.

Claims for abatement of taxes as uncollectible on account of insolvency of the principals on bonds given to secure the taxes, should not be presented until after the cases have been reported to this office as directed in the foregoing circular.

The collector should call on the bondsmen for payment, when the principal is insolvent, and if they prefer to contest, he will then report to this office for authority to bring suit.

If it is decided by this office, on the evidence presented in any case, to be impracticable to commence suit, and a claim on No. 53 and No. 48 is presented, the collector will certify whether the principal and sureties are insolvent, and have been since the time when first demand should have been made for the taxes, and give date of office letter declining to order suit.

Collectors should make a careful examination as to the solvency of sureties before reporting to this office for permission to bring suit or otherwise.

It will be the duty of the collector to make frequent inquiries after abatement in such cases, as in case of other taxes abated as uncollectible, to ascertain whether either principal or sureties have acquired property from which the taxes could be collected. If property has been acquired by the sureties, the case should be again reported to this office, with the facts, and permission asked to institute suit. Where the principal acquires property, distraint should be made.

Series 7, No. 14, Revised, provides that after a collector has exhausted all remedies in his power to collect a tax, and has placed the bond of the tax-payer in the hands of the United States attorney for suit, and suit has actually commenced, a claim for abatement may be made on Forms 53 and 48. This should be done if, in the opinion of the collector, the required evidence can be obtained.

The voucher on Form 53 should show when the tax first became due; whether the tax-payer had any property liable to distraint at that time or thereafter; and whether the collector used due diligence at all times to collect the tax, and should also be supported by a certificate of the United States attorney stating the date of the commencement of the suit, and when the bond was first placed in his hands.

Amounts collected by distraint or otherwise, subsequent to the institution of the suit, should be at once reported to the United States attorney for his guidance in his further prosecution of the case in court.

In case where an abatement claim is filed and allowed by the Commissioner of Internal Revenue, the amount of the tax, or any portion thereof, or costs, that may afterwards be recovered by the suit, should on being paid over to the collector by the court, as required by section 3216, Revised Statutes, be taken up on his first return on Form 58.

The abatement to the collector of a tax on the ground of its being uncollectible, is only an abatement or withdrawal of the debit against

the collector in his account, and does not relieve the tax-payer of his liability for the tax, and the collector should therefore exercise diligence to collect the same at subsequent periods.

Collectors must keep, in the book provided for the purpose (Record, No. 23), a complete and correct record of all taxes abated as uncollectible, and examine the same from time to time, with a view to the collection of such of said taxes as may at any time be found to be collectible.

Taxes erroneously assessed.

Claims for the abatement of taxes alleged to have been erroneously assessed will be supported by the vouchers and certificates required by Series 7, No. 14, Revised.

The filing of a claim for the abatement of a tax alleged to have been erroneously assessed does not operate as a suspension of the collection of the tax, or make it any less the duty of the collector to exercise due diligence to prevent the collection of the tax being jeopardized. He should, if necessary, collect the tax, and leave the tax-payer to his remedy by claim for refunding on Form 46.

For instructions as to the duty of collectors under the law to collect five per cent. penalty and one per cent. per month interest on unpaid assessments, where claims for abatement have been filed, see instructions in Circular 192, December 19, 1878, and Series 7, No. 1, page 64.

Taxes that are, or have been, in litigation.

When action for the recovery of a tax, which was not abated on the commencement of suit, as provided in Series 7, No. 14, Revised, is decided against the United States on the merits of the case, and the decision is accepted as final, the collector should immediately thereafter present to this office a claim, on Forms 47 and 48½, for the abatement of the tax. The affidavit on Form 47 may be made by the collector, or any other person knowing the facts. It should be accompanied by a certificate of the clerk of the court in which the case was tried, showing when the case was tried, the amount of the bond, if any, the amount sued for, and that judgment was rendered for the defendant; also showing that the judgment was upon the merits of the case, and was not based on a mere technicality in the pleadings, or on other grounds that would not prevent another suit. In addition to this, the United States district attorney should attach his certificate to the same effect.

Where the judgment in any such case is given in favor of the United States, for a portion only of the amount sued for, the balance should

be claimed for abatement as erroneous, and the claim should be supported by the certificate of the clerk of the court and United States attorney, as prescribed in the foregoing case.

When a suit for the recovery of a tax is decided in favor of the United States, and execution issued and returned *nulla bona*, as respects the whole or part of the judgment, the collector should satisfy himself, by careful inquiry, whether any personal property can be found to satisfy the judgment in whole or in part, and whether there is any real estate which can be subjected, by distraint or by suit in equity, under section 3207, Revised Statutes, United States, to sale in satisfaction of the judgment; and if he should be fully satisfied that there is no such real or personal property, he should thereupon present to this office a claim on Forms 48 and 53 for the abatement, to the collector, of the amount which has not been and cannot be collected, making a statement thereon of his action, accompanied by a certificate of the clerk of the court as to the facts in the case.

When a suit for taxes is dismissed upon a technical defect in the proceedings, or when an adverse verdict is rendered on some technical ground not reaching the merits of the case, and the right to a new trial or to an appeal has lapsed, and the tax cannot be collected by distraint or by suit in equity to subject real estate to sale, the claim for abatement of the taxes to the collector should be made on Forms 48 and 53.

Collectors are authorized to pay the clerk of the court his legal fees for the certificates required by regulations of this Department and furnished by him relative to litigated taxes and the vouchers therefor should be scheduled on Form 85 and submitted with the regular account on Form 44, and as vouchers for such expenses are verified by the abatement claims, care should be taken that the same are forwarded and so identified that all causes for delay in this respect will be obviated.

Taxes Covered by Real Estate bid in for the United States.

The collector will receive credit in the following manner for taxes covered by real estate sold on distraint and bid in for the United States, after the year of redemption of the real estate has expired: *Provided*, That a sum not exceeding one-half of the cash value of the real estate has been bid, and that said bid does not in any case exceed the tax, penalties, and costs. So much of said taxes as may be covered by the sum for which the land, after deducting all costs and expenses of sale, was purchased by the United States, will be credited to the collector if a good and sufficient deed of the land to the United States has been duly executed, approved, recorded, and transmitted to this office, as required

by section 3197, Revised Statutes, as amended March 1, 1879, and that there is also filed with his quarterly account on Form 79, a statement showing the particular taxes on account of which the property was purchased, the amount bid for the property, the cost of seizure and sale, and the date of the deed, and a copy of the collector's report on Form 128 for the quarter in which the sale was made. The balance of said taxes remaining unpaid will be abated to the collector upon presentation to this office of proper vouchers on Forms 48 and 53, showing that said taxes are uncollectible, and that due diligence was used to collect the same.

Credit should not be taken on Form 51 for any taxes covered by real estate bid in for the United States until after the collector has received notice of the allowance, and the number of the Fifth Auditor's report in which the credit is given should be noted on the form. If the land is redeemed, the amount received as tax should be treated on Form 51 as a collection of the tax, and the penalty and interest collected returned on Form 58 for the month in which received.

In cases where land bid in for the United States is not redeemed and the right of redemption has ceased, and a deed for the same has been filed as required, and the collector, in accordance with instructions received from the Commissioner of Internal Revenue, under provisions of section 3208, Revised Statutes, as amended March 1, 1879, sells the property, the money thus received should be deposited in the name of the collector to the credit of the Treasurer of the United States, as a "Miscellaneous receipt arising from sale of land acquired under internal-revenue laws." This sum should not be included in any branch of the collector's account. The expenses attending such a sale must not be deducted from the amount received, but a special account, accompanied by proper vouchers, should be sent to this office for adjustment.

Duplicate Charges.

Taxes erroneously or illegally assessed are by the Commissioner of Internal Revenue remitted to the party and abated to the collector, while taxes uncollectible are simply abated by the Commissioner to the collector against whom they are charged; but amounts which by error or otherwise have been twice receipted for, and charged to a collector, are held by the accounting officers to be matters of account, and not subjects for abatement.

These errors are generally of the following description:

1. Sales of stamps reported on Form 58.
2. Taxes receipted for by predecessor, reported on Form 58.

3. Specific penalties deposited to credit of the Secretary of the Treasury, and which, while thus deposited, have been reported on Form 58.

4. Errors in addition of lists, or amounts not assessed that have been erroneously included in the receipt on Form 23½.

5. Assessed special taxes covered by "special-tax stamps" issued.

6. Assessed taxes on distilled spirits covered by tax-paid stamps issued.

Blanks for claims of the first four classes above will be furnished by the Fifth Auditor upon application. These claims, accompanied by proper evidence, and in cases under classes 1, 2, and 3, with a copy of Form 58 containing the errors, should be forwarded to this office for verification.

Blanks for claims under classes Nos. 5 and 6 (Form 66 and 66*a*), are furnished by this office.

The claim on Form 66 should set forth the assessment fully, giving the name of the person or firm, occupation, page and line where assessed, the amount of tax, the serial number and letter of the special-tax stamp issued, date when issued, and the period covered by said stamp.

The claim on Form 66*a* should set forth the assessment fully, giving the name of the person or firm, the page and line where assessed, the serial number and letter, date, and value of each tax-paid stamp issued, with number and denomination of the book from which said stamp was taken, the serial number of the package, and the number of taxable gallons.

When a collector returns books of stubs of special-tax stamps, or tax-paid stamps, to this office, he should *then* (and not before), file here a claim for the release (as a duplicate charge), of *all* assessments for special taxes and distilled spirits, receipted for on Form 23½, and covered by special-tax or tax-paid stamps issued from those books.

These claims, on being forwarded, should be entered in "Office Record No. 22," and when allowed the number of the Fifth Auditor's report noted therein in the proper column and on the line to which the allowance is intended to apply.

Credit should not be taken on Form 51 for the amount of any alleged "duplicate charge" until after allowance of the same by the Fifth Auditor, when it should be credited on Form 51, in the same way as if abated in the usual manner, with a reference to a foot-note on the form, setting forth the number of the Fifth Auditor's report in which the credit thus claimed was allowed.

GENERAL INSTRUCTIONS CONCERNING STAMPS.

Section 3341, Revised Statutes, United States, requires the Commissioner of Internal Revenue to furnish suitable stamps, denoting the tax on fermented liquors, "to the collectors of internal revenue, who shall each be required to keep on hand at all times * * * a supply of stamps equal in amount to two months' sale thereof, if there be any brewery or brewery warehouse in his district."

Section 3312 provides that "all stamps required for distilled spirits shall be engraved in their several kinds in book-form, and shall be issued by the Commissioner of Internal Revenue to any collector, upon his requisition, in such numbers as may be necessary in the several districts."

Section 3369 requires that "the Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps for the payment of the tax on tobacco and snuff * * *. Such stamps shall be furnished to the collectors requiring them, and each collector shall keep at all times a supply equal in amount to three months' sales thereof."

Section 3395 provides that "the Commissioner of Internal Revenue shall cause to be prepared, for payment of the tax upon cigars, suitable stamps denoting the tax thereon. Such stamps shall be furnished to collectors requiring them, and collectors shall, if there be any cigar-manufacturers within their respective districts, keep on hand at all times a supply equal in amount to two months' sales thereof."

Section 3238 provides that "all special taxes imposed by law, including the tax on stills or worms, shall be paid by stamps denoting the tax, and the Commissioner of Internal Revenue is required to procure appropriate stamps for the payment of such taxes; and the provisions of sections 3312 and 3446, and all other provisions of law relating to the preparation and issue of stamps for distilled spirits, fermented liquors, tobacco, and cigars, shall, so far as applicable, extend to and include such stamps for special taxes."

The act of July 2, 1886, imposed certain taxes upon the manufacture and sale of oleomargarine. Section 3 provides that "sections 3232, 3233, 3234, 3235, 3236, 3237, 3238, 3239, 3240, 3241, and 3243, of the Revised Statutes of the United States, are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section."

Section 8 provides that the tax levied by this section shall be represented by coupon stamps, and the provisions of existing laws governing the engraving, issue, sale, accountability, effacement and destruction of stamps relating to tobacco and snuff, as far as applicable, are

hereby made to apply to stamps provided for by this section. Collectors requiring any of the stamps above mentioned, will make timely requisitions upon this office therefor, and will keep on hand at all times the supplies required by law. Requisitions for tax-paid and exportation stamps for distilled spirits must invariably be made on Form 139; for distillery-warehouse stamps, on Form 175; for stamps for rectified spirits, on Form 139½; for wholesale liquor-dealers' stamps, on Form 127; for stamps for imported spirits, on Form 160; for stamps for fermented liquors, on Form 141; for tobacco stamps and stamps for exportation tobacco, on Form 140; for snuff stamps, on Form 231; for cigar and cigarette stamps and stamps for exportation cigars, on Form 230; for stamps for oleomargarine, on Form 223; and for special-tax stamps, on Form 100. As to requisitions for, and use of, oleomargarine stamps, see Regulations, Series 7, No. 9, revised April 26, 1889, page 53.

In no case should requisition for two or more classes of stamps be made on the same blank. Collectors are requested not to make requisitions for stamps during the last five days of each month, except in case of necessity, and to make as few requisitions each month as possible. No order should be given by telegraph except in case of absolute necessity.

Upon the receipt of stamps, collectors are required to open and count them in the presence of at least one disinterested witness, and date, sign, and transmit to this office, without delay, the receipt furnished. Receipts must in all cases be signed by collectors, acting collectors, or deputies in charge.

If any discrepancy is found to exist between the invoice and the stamps received, immediate notice thereof must be given to this office, which notice must be accompanied by the affidavit of the collector, or acting collector, stating the exact amount of such discrepancy, and the kind and denomination of stamps in which it occurs, and by the corroborative affidavit of the disinterested witness who was present at the opening of the package.

Where collectors are in receipt of stamps apparently sent to them by mistake, they will notify this office promptly, and hold the stamps subject to the order of the Commissioner.

An accurate inventory should be taken, by denominations and values, of all stamps and coupons on hand at the close of each month, in order to verify the collectors reports on Forms 68, 76, 90, 177, 103, and 222.

All stamps for which collectors have no sale, present or prospective, should be returned to this office.

Collectors will return to this office, on or before the tenth day of each month, all stub books, the last stamps from which were detached during the previous month.

Before transmitting to this office stub books of any kind, *excepting only books containing coupons*, collectors will cause the covers thereof to be neatly cut even with the stubs, and those portions of the covers detached need not be returned.

Care should be taken to see that all the stubs are properly filled up as required by law and regulations; but if a collector finds that he has books of stubs which were transferred to him by his predecessor, the stubs in which, or any of them, were not properly filled out, he will forward the same with a statement of all the facts in the case, and if it appears that any of the stamps, the stubs of which were not properly filled when received by him, were issued through a deputy collector or gauger, it should be stated whether or not such deputy collector or gauger is now connected with the internal-revenue service in any capacity.

Upon returning stub books containing coupons, collectors are requested to number the back of each page on the left-hand upper corner, beginning with the first page in the book, and numbering the pages consecutively from one to the end of the book; and also to note, opposite the number of the page on each sheet, the number of coupons attached to it, in order that discrepancies may the more readily be described, identified, and accounted for. A recapitulation should be made of pages, coupons, and amounts, on the schedule bound in the book.

Packages of stub books returned should have indorsed on the outside the name of the collector and the kind—"spirit," "tobacco," "snuff," "special-tax," &c.—of stamps inclosed, and should be accompanied by a schedule, showing the number, serial letter, and the kind or denomination of each book, and, where stamps or coupons remain therein, the number and value of the same, and the aggregate value of all the books contained in the package. This schedule should be made out on Form 97 or 98, as the case may be, and in accordance with the instructions printed on the back of the form. No two classes of stamps should be returned in the same package. This office should be notified by mail whenever a package of stamps, coupons, or stubs has been forwarded, and the number of said stamps, or of the books containing coupons or stubs, and the aggregate value of the same, if coupons or stamps, should be stated in such notification.

Collectors are required to enter on the corresponding stub such memoranda of the contents of every stamp as shall be necessary to preserve

a perfect record of the use of such stamp when detached. Every stub must bear the record in full of the use of the stamp detached therefrom, *and no stub from which a stamp has been taken must be left blank under any circumstances.*

Section 3313 provides that "no coupon shall have any value or significance when detached from the stamp and stub." The Comptroller of the Treasury has decided that coupons accidentally detached and returned to this office unused may be credited to collectors upon their furnishing satisfactory proofs, viz: The affidavit of the collector, giving the number of coupons detached; the number of the stamp, and the number and denomination of the book from which detached; the name of the person making the detachment; also, stating that said coupons were erroneously detached, and were never used. The collector's affidavit must be corroborated by the affidavit of the person detaching the coupons, containing all the facts and circumstances attending such detachment. In order to secure uniformity in the preparation of the affidavits above required, a blank (Form 82) has been prepared for the purpose, and should be used exclusively in all cases of detachment where credit for the detached coupons is claimed.

Collectors should not take credit on their reports for stamps or coupons returned until after they have been notified by this office of the reception and allowance of such stamps or coupons, and the amount thereof. Prior to the receipt of such notification they should be reported as "returned *in transitu.*"

COMPENSATION OF COLLECTORS AND DEPUTY COLLECTORS.

Section 12, act February 8, 1875, as amended by act of March 1, 1879, (section 3148, Compilation of 1889), provides—

"That each collector of internal revenue shall be authorized to appoint, by an instrument in writing under his hand, as many deputies as he may think proper, to be compensated for their services by such allowances as shall be made by the Secretary of the Treasury, upon the recommendation of the Commissioner of Internal Revenue. Allowances shall also be made in like manner for salary and office expenses of collectors, all of which shall be in lieu of the salary and commissions heretofore provided by law: *Provided, however,* That the salaries of collectors shall be fixed at two thousand dollars each per annum where the annual collections amount to twenty-five thousand dollars or less, and shall, by the Secretary, on the recommendation of the Commissioner, be graduated up to the maximum limit of four thousand five hundred dollars; which latter sum shall be allowed in all cases where the collections amount to one million of dollars or upward; and the collector shall have power to revoke the appointment of any such deputy, giving such

notice thereof as the Commissioner of Internal Revenue may prescribe, and to require and accept bonds or other securities from any deputy; and actions upon such bonds may be brought in any appropriate district or circuit court of the United States; which courts are hereby given jurisdiction of such actions concurrently with the courts of the several States. Each such deputy shall have the like authority in every respect to collect the taxes levied or assessed within the portion of the district assigned to him which is by law vested in the collector himself; but each collector shall, in every respect, be responsible both to the United States and to individuals, as the case may be for all moneys collected, and for every act done or neglected to be done, by any of his deputies while acting as such.

Section 13, act February 8, 1875, as amended by act of March 1, 1879 (section 3148, Compilation of 1889), provides—

"That there shall be further paid, after the account thereof has been rendered to and approved by the proper officers of the Treasury, to each collector, his necessary and reasonable charges for advertising, stationery, and blank books used in the performance of his official duties, and for postage actually paid on letters and documents received or sent and exclusively relating to official business but no such account shall be approved or allowed unless it states the date and the particular items of every such expenditure, and shall be verified by the oath of the collector: *Provided*, That the Secretary of the Treasury, on the recommendation of the Commissioner of Internal Revenue, be authorized to make such further allowances, from time to time, as may be reasonable, in cases in which, from the territorial extent of the district, or from the amount of internal duties collected, it may seem just to make such allowances; but no such allowance shall be made if more than one year has elapsed since the close of the fiscal year in which the services were rendered. But the total net compensation of a collector shall not in any case exceed four thousand five hundred dollars a year; and no collector shall be entitled to any portion of the salary pertaining to the office unless such collector shall have been confirmed by the Senate, except in cases of commissions to fill vacancies occurring during the recess of the Senate."

To carry out these provisions of law, the collector should, immediately upon the receipt of blanks sent to him for the purpose, forward to this office an estimate of the amount required for salary and expenses of himself and deputies for the year commencing with July 1.

This estimate should show the number of deputies and clerks to be employed, the amount to be paid to each, the amount to be paid for office-rent, fuel, and light, and the estimated amount of collections.

A corresponding statement of the amount paid the previous year should be made on the same page; and where any increase of previous allowance is asked for, the reasons for such increase should be clearly set forth on the inside of the blank.

The collector will be duly notified by this office of the amount and terms of the allowance.

The personal compensation of the collector will be fixed upon the following scale of collections:

For collection of—	
$25,000 or less	$2,000
25,000 to $37,500	2,125
37,500 to 50,000	2,250
50,000 to 75,000	2,375
75,000 to 100,000	2,500
100,000 to 125,000	2,625
125,000 to 175,000	2,750
175,000 to 225,000	2,875
225,000 to 275,000	3,000
275,000 to 325,000	3,125
325,000 to 375,000	3,250
375,000 to 425,000	3,375
425,000 to 475,000	3,500
475,000 to 550,000	3,625
550,000 to 625,000	3,750
625,000 to 700,000	3,875
700,000 to 775,000	4,000
775,000 to 850,000	4,125
850,000 to 925,000	4,250
925,000 to 1,000,000	4,375
1,000,000 and upwards	4,500

Should the collections, however, vary from the sum estimated, the salary of the collector will be adjusted at the end of the fiscal year, in accordance with the above scale, upon the collections actually made.

Collectors must organize their districts strictly in accordance with the allowance as to the number of persons employed and the salary and expenses paid to each. Any expenses of office incurred in excess of the amount authorized in the special allowance, or not in accordance with the terms of the allowance, will be at the risk of the collector.

In arranging the divisions assigned to the different deputies, the boundaries should be so fixed and the headquarters of each deputy so located as will insure the most thorough and frequent visitation of all the territory at the least expense.

In employing clerks and deputies, the right to discontinue their services at any time should be reserved; and in renting rooms for an officer, the right to vacate them at any time upon one month's notice should be expressly stipulated.

As soon as possible after being notified of their special allowance, collectors should send to this office (upon the blank form provided for that purpose) a statement showing the organization of their districts

under that allowance, which statement should show the name, salary, post-office address, and duties of each deputy and clerk, and the number of the division, the territory, the number of distilleries, breweries, tobacco factories, cigar manufacturers, rectifiers, wholesale liquor-dealers, oleomargarine manufacturers, and wholesale dealers in oleomargarine assigned to each deputy; and if a deputy is intrusted with the sale of stamps, the kind of stamps sold by him should be distinctly stated.

Colleclors should promptly notify this office of *any change*, either in regard to removals, new appointments, salary, post-office address, territory, or duties assigned, and particularly in regard to the sale of stamps, which may occur in the organization of their districts during the fiscal year.

DEPUTY COLLECTORS.

Section 12, act February 8, 1875, as amended March 1, 1879 (section 3148, Compilation of 1889), provides that "each collector shall, in every respect, be responsible, both to the United States and to individuals, as the case may be, for all moneys collected, and for every act done or neglected to be done, by any of his deputies while acting as such."

The officers of this Department are not authorized to excuse any collector from strict compliance with the law on account of loss sustained by him through the action of any of his deputies, and it is therefore to the interest of every collector to require of his deputies "bonds or other securities" for the faithful performance of their duties, and to keep strict account of all taxes assigned to them for collection, and of stamps intrusted to them, and also to require them to provide proper safes or vaults for all stamps in their charge.

In view of the large number of deputy collectors outside of collectors' offices who are intrusted with internal-revenue stamps for sale to taxpayers, it is found necessary to enjoin upon collectors the careful observance of the following regulations:

1st. The collector will keep an account in Record No. 43 with each of such deputies that will show the number, denomination, and value of all stamps furnished them, posting therein, in aggregate, the sales reported each month, so that the exact balance in the hands of each deputy at the close of the month will be shown; and in cases where the sales by a deputy are large, it is desirable to require him to make such reports as will enable the collector to strike this balance as often as once a week, or at least tri-monthly.

2d. Deputies outside of collectors' offices who have internal-revenue stamps in their charge are required to keep a record in book-form, in detail, of each sale made by them. Record No. 57 is prescribed for this purpose, and is suitable for such deputies as have several kinds of stamps, but not many denominations of each kind. Deputies who have but one variety of stamps, or who have a full supply of the various kinds and denominations, should be furnished with the records provided for the sales of such stamps, and with Record No. 9 in all cases where the deputy transmits his collections to the depository direct.

The deputy should be required to keep these records accurately, in ink, and promptly turn them over to his successor or the collector when he retires from office.

3d. All such deputies should be required to forward their collections as often as they reach the sum of $500, with a report on Form 102, and in *all cases* at the end of each month.

4th. As the collector is responsible to the Government for the official acts of his deputies, as well as for the stamps intrusted to them, it is presumed that he will, as often as practicable, by a personal inspection, verify their reports of "stamps on hand," and satisfy himself that all the duties imposed upon his deputies are properly performed. This frequent verification will, in a great measure, prevent errors and discrepancies in denominations of stamps, which frequently occur.

For instructions as to custody and deposit of money collected by deputies, see page 12 of these regulations.

In no case should any of the original assessment-lists be placed in the hand of a deputy, but copies thereof, by divisions, should be prepared for their use, and the amount of taxes assigned to them for collection should be charged to them in full.

The collector should require each deputy, after he has disposed of all the taxes on any list, to return the list so marked that it can be readily seen how each tax thereon was disposed of, and the taxes reported as uncollectible should be accompanied by the deputy's vouchers, in duplicate, on Form 53.

Collectors should never sign blank receipts on Form 1 for the use of their deputies. Each deputy should be provided with a book of receipts, and should be required to return the stubs to the collector as soon as the receipts in the books become exhausted.

The stubs should be promptly forwarded to this office as soon as the book is used up.

Collectors should see that their deputies collect and return all unassessed penalties that the tax-payers are liable to for delinquencies.

Deputy collectors are required to report to the collector of their respective districts on the following forms, which are furnished by this office.

FORM 24.

Monthly Report of Taxes for Assessment.

To be made to the collector within five days after the close of each month.

For further instructions relating to this report, see Series 7, No. 1.

FORM 64.

Montly Report of Collections and Deposits.

This is a report intended for use by deputies who deposit their collections directly in the designated depository.

It should be made so as to reach the collector within five days after the close of each month.

FORM 65.

Monthly Statement of Tax Account of Deputy Collector—being a report by the deputy to the collector, of the same kind as the report of the collector to this office on Form 51, intended for use only by such deputies as have assessed taxes assigned to them for collection.

It should be forwarded to the collector with Form 64.

FORM 102.

A.—*Reports of Collections on Lists.*

B.—*Report of Spirit-Stamps, other than Tax-paid and Export, Issued and on Hand.*

C.—*Report of Beer-Stamps Sold and on Hand.*

D.—*Report of Tax-paid and Export and Spirit Stamps Sold and on Hand.*

E.—*Report of Cigar and Cigarette Stamps Sold and on Hand.*

F.—*Report of Tobacco-Stamps Sold and on Hand.*

G.—*Report of Special-tax Stamps Sold and on Hand.*

H.—*Blank Letter of Inclosure of Reports by Deputy to Collector on Form* 102.

I.—*Report of Oleomargarine Stamps Sold and on Hand.*

Deputies will be expected to report on only such of these forms as the nature of their collections require.

These forms are similar in character to the record books to be kept by collectors, and reports thereon must be made by the deputy to the collector as often as a remittance or deposit is made, in order that the collections may be entered at once upon the collector's records. The last report for the month should be accompanied by a recapitulation

by totals on Form 102—H (not in detail), of all former ones made during the month, and its preparation should not be delayed until the last day, so that at the close of business on the last day of the month it will be merely necessary to add the collections of that day to complete the report and mail to the collector, which should be done that night or the next day, if possible.

The reports on Form 102 to the collector should in each case be accompanied by the money or certificate of deposit, necessary to exactly balance the collections reported, so that the report on Form 64 for the the month will not show any balance due from the deputy.

The Department encourages the practice, whenever practicable, of a deputy collector depositing directly with a depositary, in the name of his principal, believing that greater economy and dispatch will thereby be attained. In such cases, the depositor will take certificates of deposit in the name of the collector for whom he is acting. Collectors should particularly enjoin their deputies to enter on their reports, on Form 102, their collections in detail, and in the order in which they are made, and great care should be exercised by collectors in checking the assessment-lists by the reports on Form 102, as well as by their records of daily receipts.

The reports on Form 102 should be numbered in regular order, and carefully filed in the collector's office, not only for the purpose of correcting, by reference thereto, any errors that may occur in making entries therefrom, but because they are often of the greatest importance to collectors in making a final settlement with their deputies.

The successful enforcement of the internal-revenue laws depends so much upon the faithful discharge by deputy collectors of the duties devolved upon them by law, as to render it necessary that the utmost vigilance should be exercised by collectors to see that each and every duty is faithfully and promptly performed. Forms 63½ and 225 will aid collectors in supervising and maintaining a careful oversight of their deputies, and they should personally satisfy themselves that the answers made by each deputy to the interrogatories therein contained are in exact accordance with the facts.

GENERAL INSTRUCTIONS TO COLLECTORS.

Office-Rooms.

The offices of collectors should be located with reference to the convenience of tax-payers, and the facilities for transacting public business.

Where a collector occupies rooms in a public building, the necessary furniture, cases, &c., are supplied by the Government. If his office is in a building leased by him for the purpose, for the rental of which he is allowed a fixed sum, furniture, necessary and suitable for a public office, including proper cases for the books, blanks, and stationery used in the office, and safes or vault-room for all stamps and valuable papers and records should be supplied by the lessor.

Office-Hours.

It is expected that collectors will, in regard to their office-hours, conform to the business custom of the vicinity in which their offices are located, so as to accommodate tax-payers, and *in all cases* the office will be open for the transaction of public business from nine o'clock in the morning until four o'clock in the afternoon.

Letters.

The correspondence of this office being very large, the following rules relative thereto are published for the information and guidance of internal-revenue officers. A close observation of these regulations will materially expedite the public business, and will be expected and required in all cases:

I. All communications to this office must be addressed to the Commissioner of Internal Revenue, without regard to the fact that letters are often signed by an acting or deputy commissioner, or chief clerk.

II. All official letters, reports, and communications should be carefully folded and properly indorsed with the name of the writer, his official title if any, his P. O. address, the date of the letter, a brief statement of the subject and contents, and the number of inclosures, in the order indicated on the printed blank on paper furnished to internal-revenue officers, the whole carefully secured by an elastic band.

III. All letters from this office calling for information should be answered as promptly as possible. When delay in obtaining the information is unavoidable, receipt of the letter should be acknowledged, and the cause of the delay stated.

IV. In forwarding reports to this office required by law or regulations, it is not necessary to send any communication, unless such reports require explanation; but duplicate forms, copies of papers, affidavits, or other miscellaneous matter, should never be sent without an explanatory letter.

V. When reference is made in letters addressed to this office to sections of the law, regulations of the office, or printed circulars, the

number of such section, regulation, or circular should be given in words as well as in figures.

VI. To avoid delay in consulting the records, and to insure the continuation of correspondence through the proper channels, revenue officers are required, when replying to letters from this office, to give, in addition to the date of the letter to which they reply, the marginal initials, that appear upon it, as, for instance: "In reply to yours of the 14th August (W. H. C. A. B., H. C. R.)." If previous letters have been written on the same subject, to which it is necessary to refer, the dates and marginal initials of the same should be given.

VII. Each subject should be presented to this office in a separate letter, with a view to a more prompt reference to the proper division and a more ready reply than can otherwise be obtained.

VIII. All official communications and records must be written with black ink, in consequence of the tendency of other inks to fade. Carmine, or red ink, may be used for ruling and indorsements.

Official Envelopes.

Sections 5 and 6 of the act entitled "*An act establishing post-roads and for other purposes,*" approved March 3, 1877, are as follows:

"SECTION 5. That it shall be lawful to transmit through the mail free of postage any letters, packages, or other matters relating exclusively to the business of the Government of the United States: *Provided*, That every such letter or package, to entitle it to pass free, shall bear over the words 'official business' an indorsement showing also the name of the Department, and, if from a bureau or office, the name of the Department, and bureau or office, as the case may be, whence transmitted. And if any person shall make use of any such official envelope to avoid the payment of postage on his private letter, package, or other matter in the mail, the person so offending shall be deemed guilty of a misdemeanor, and subject to a fine of three hundred dollars, to be prosecuted in any court of competent jurisdiction.

"SECTION 6. That for the purpose of carrying this act into effect, it shall be the duty of each of the Executive Departments of the United States, to provide for itself and its subordinate officers the necessary envelopes; and in addition to the indorsement designating the Department in which they are to be used, the penalty for the unlawful use of these envelopes shall be stated thereon."

Section 29 of the act entitled "An act making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1880, and for other purposes," approved March 3, 1879, extends the provisions of the above act to all officers of the United States Government, and it is made applicable to all official mail-matter transmitted between any of the officers of the United States, or between any such officer and either of the Executive Departments or officers of the Gov-

ernment, except to pension-agents or other officers who receive a fixed allowance for their service, including expenses for postage.

All envelopes furnished to officers of this Department, will be printed as required by section 5, quoted on preceding page.

Tax-payers should be notified by collectors that stamps will be transmitted by ordinary mail to them unless otherwise directed, and collectors will use the official envelope in making such transmission; and if tax-payers desire to have them sent by registered mail, money or postage-stamps to pay the registry fees should in all cases accompany their orders for stamps. Also, that, when so transmitted, it will be at the risk of the person or firm ordering the same.

Stamps may also be forwarded by express, at the expense of tax-payers, if they shall so request.

Internal-Revenue Record.

The Internal-Revenue Record will be sent to collectors for the official use of themselves and their deputies, store-keepers, and gaugers. Collectors should so distribute the copies sent as will enable the greatest possible number of persons to have access to the same copy, so as to reduce the aggregate number of copies to be furnished to the district to the smallest number consistent with the interest of the service.

The collector will be held responsible for the safe-keeping of each number of the paper furnished to his district, and to that end he will require each person to whom a copy is assigned and regularly delivered, to carefully preserve the same.

At the expiration of the term of service of any person having copies of the Internal-Revenue Record in his possession, he should deliver his entire set of the same to his successor, they being a part of the official records of the district and not private property.

INSTRUCTIONS RELATIVE TO CLOSING LISTS, DISTRAINTS, SEIZURES, SUITS, PENALTIES, ETC.

Time for closing Lists.

Collectors are required, immediately upon receipt of any list of taxes from this office, to notify the parties assessed that the taxes are due and payable.

These notices should be given on Form 17, and may be sent by mail, served personally, or left at the dwelling or usual place of business of

the person to be notified. The date and mode of serving them should be noted in ink in column 11 on the list, Form 23, revised.

If the persons liable do not pay the taxes within ten days after the service, or the sending of these notices, it is then the duty of the collector to serve demand notices, on Form 21.

A new form of this notice has been prepared, upon which is indorsed the following form for a return of service, to be made by the person serving the notice:

RETURN OF SERVICE.

I CERTIFY that, on the —— day of ———, 188—, I served a notice, of which the within is a true copy, upon the within-named ——— ———, by giving it in hand to him, or by leaving it at his last and usual place of abode, or his usual place of business.

Subscribed this —— day of ———, 188—.

———— ————,
Deputy Collector.

The above form of return should be changed, as the case may require, to make it conform to the facts. For instance, if the service is made personally, the words "or by leaving it at his last and usual place of abode, or his usual place of business" should be erased, and in other cases the printed words not required in stating the mode of service should be erased.

Where practicable, and especially in cases where distraint or suit on a bond is likely to follow, service should be made personally by a deputy collector, who will make a return to the collector. In cases where it is not practicable to make service either by leaving the notice with the party personally or by leaving it at his dwelling or place of business, it may be sent by mail. In that case, the return should state the date of mailing, and that the notice was addressed to him at his usual post-office address, naming it.

The duplicate notice on Form 21, with proof of service, which is retained by the collector, should be attached to the assessment-list upon which the taxes are assessed, to be bound with it.

If the taxes are not paid within the prescribed time, the collector should at once, either in person or by deputy, proceed to collect the amount, with the penalty, interest, and costs, by distraint.

For failure to pay within the prescribed time the taxpayer is liable to a penalty of five per centum on the amount of the tax, and interest at the rate of one per cent. per month. This penalty must be collected in all cases when a tax-payer has become liable thereto, as the collector has no discretion in the matter.

In the case of assessments made under section 3253, Revised Statutes,

demand on Form 21 should be immediately made, without the notice on Form 17. This will enable distraint to be made after the expiration of ten days from the date of said demand.

Under the authority of the provisions of law in section 3212, Revised Statutes, quoted on page 13 of these regulations, the Department requires collectors to account for all taxes assigned to them for collection within six months from the date of receipt of the list.

Transfer of taxes to another district.

The attention of each collector is called to the provisions of section 3209, Revised Statutes, United States, providing for transfer of taxes to collectors of other districts in certain cases, and collectors are hereby instructed to promptly transfer the taxes assessed against any person who has removed to another collection district, or whose property, real or personal, liable to be seized and sold for taxes, is to be found in another district, by sending a copy of the assessment, duly certified under his hand, to the collector of that district, and obtaining his receipt therefor.

In such cases an abstract in duplicate of the original assessment, giving the name of the party, and the nature and amount of the taxes, duly certified by the collector, should be forwarded without unnecessary delay to the collector of the district in which the party from whom the taxes are due resides, or to the collector of the district in which property liable to distraint for taxes may be found.

The collector receiving such abstracts will receipt for the amount across the face of the duplicate and return it to the collector forwarding it, who will, on receiving the receipted duplicate, take credit for the amount in his next report on Form 51, in column 5, and in his next account on Form 79, on line 7, as "transferred," giving the name of the district to which the transfer was made.

The collector receipting for the amount of the abstract will treat it in every respect as if it were a part of a list returned to him by this office, except, that in taking up the amount in his next report on Form 51, and in his next account on Form 79, line 21, he will be required to state therein the district from which the same was received.

There is no blank form specially provided for abstracts of taxes transferred to other districts for collection, but Form 24, with some slight alteration, can be used for this purpose.

Obstructing collection of taxes.

Collectors are reminded that, under the provisions of section 3224, Revised Statutes, United States, "no suit for the purpose of restraining the

assessment or collection of any tax shall be maintained in any court;" and that, under the provisions of section 934, "All property taken or detained by any officer or other person, under authority of any revenue law of the United States, shall be irrepleviable, and shall be deemed to be in the custody of the law, and subject only to the orders and decrees of the courts of the United States having jurisdiction thereof."

Suits for taxes, penalties, &c.

It will be the duty of the collector to proceed against any and all persons who have incurred any fine, penalty, or forfeiture under the internal-revenue laws, in the manner prescribed by the following sections of the Revised Statutes:

Section 3164, Revised Statutes, United States, provides that "It shall be the duty of every collector of internal revenue to report within ten days to the district attorney of the district in which any fine, penalty, or forfeiture may be incurred for the violation of any law of the United States relating to the revenue, a statement of all the facts and circumstances of the case within his knowledge, together with the names of the witnesses, and which may come to his knowledge from time to time, stating the provisions of the law believed to be violated, and on which a reliance may be had for condemnation or conviction; and if any collector shall in any case fail to report to the proper district attorney as prescribed in this section, his right to any compensation, benefit, or allowance in such case shall be forfeited to the United States, and the same may, in the discretion of the Secretary of the Treasury, be awarded to such persons as may make complaint and prosecute the same to judgment or conviction."

Section 838, Revised Statutes, United States, provides that "It shall be the duty of every district attorney to whom any collector of customs, or of internal revenue, shall report, according to law, any case in which any fine, penalty, or forfeiture has been incurred in the district of such attorney for the violation of any law of the United States relating to the revenue, to cause the proper proceedings to be commenced and prosecuted without delay, for the fines, penalties, and forfeitures in such case provided, unless, upon inquiry and examination, he shall decide that such proceedings cannot probably be sustained, or that the ends of public justice do not require that such proceedings should be instituted; in which case he shall report the facts in customs cases to the Secretary of the Treasury, and in internal-revenue cases to the Commissioner of Internal Revenue for their direction. And for the expenses incurred and services rendered in all such cases, the district attorney

shall receive and be paid from the treasury such sum as the Secretary of the Treasury shall deem just and reasonable, upon the certificate of the judge before whom such cases are tried or disposed of: *Provided*, That the annual compensation of such district attorney shall not exceed the maximum amount prescribed by law by reason of such allowances and payment."

The collector is also required by section 3169, Revised Statutes, to report all such violations of law to the Commissioner of Internal Revenue. Form 166 has been prepared by this office for such reports and should be used when practicable.

The report required by section 3164, Revised Statutes, is to be made whether the collector thinks the case is one which should be prosecuted or not. The responsibility of determining whether or not a prosecution should follow is devolved upon the district attorney and Commissioner of Internal Revenue. In making such report, however, both to the Commissioner of Internal Revenue and the United States attorney, the collector should send therewith a statement of any circumstances within his knowledge which, in his opinion, render it either expedient or inexpedient to commence proceedings.

This act is not regarded as affecting the provisions of section 3460, Revised Statutes, United States, and when any property (except real estate) seized by the collector for violation of internal-revenue laws does not exceed $500 in value, it should be proceeded against by the collector, instead of being reported to the district attorney for libel.

Attention is also called to the provision of section 3169, Revised Statutes, United States: "Every officer or agent appointed and acting under the authority of any revenue law of the United States, * * * who having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report, in writing, such knowledge or information to his next superior officer and to the Commissioner of Internal Revenue, * * * shall be dismissed from office, and shall be held to be guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than three years. The court shall also render judgment against the said officer or agent for the amount of damages sustained in favor of the party injured, to be collected by execution. One-half of the fine so imposed shall be for the use of the United States, and the other half for the use of the informer, who shall be ascertained by the judgment of the court."

There is no power in this office to compromise offenses committed by internal-revenue officers.

For power of Secretary of the Treasury to compromise debts due the United States, see section 3469, Revised Statutes (Compilation of 1889). As to power of Commissioner, with the advice and consent of the Secretary, to compromise any civil or criminal case arising under the internal-revenue laws instead of commencing suit thereon, see section 3229, Revised Statutes.

No suit for taxes should be commenced unless the Commissioner of Internal Revenue authorizes or sanctions the proceeding. It is not deemed necessary to have suits instituted for taxes which have been assessed and *can* be collected by distraint, or which *can* be assessed and collected by distraint. In cases where a bond for the payment of taxes has been given, collection will in all cases be made by distraint if possible, and when that remedy has been exhausted, the case should be reported to the Commissioner of Internal Revenue for instructions as provided in Circular No. 331, quoted on page 68, of these regulations.

In cases where, owing to the limitations of section 3182, Revised Statutes, United States, and section 3437, Revised Statutes, United States, an assessment can not be made, especial attention is called to the decision of the United States Supreme Court, in the case of "The Dollar Savings Bank, plaintiff in error, *vs.* The United States," as given on pages 89 and 90 of vol. 19, Internal-Revenue Record, and 19th Wallace's Reports, page 227, where it is held that the Government may bring an action for the recovery of taxes, not only of such as have been assessed by the designated officers, but also of those which have not been so assessed, and likewise of those which, on account of the above-mentioned statutory limitations for assessment, are not so assessable. Collectors will exert themselves to discover all cases in their districts where, owing to the aforesaid lapse of the periods fixed by the statutory limitations, any taxes can not now be assessed without a waiver of these limitations by the tax-payer. In all these cases they will notify the delinquents that, if they will make a written waiver of their exemption from assessment across the face of their returns, the taxes will be assessed without penalty.

The returns so made on the proper forms should be forwarded to this office. But in cases where delinquents neglect or refuse to take this course, collectors will at once report the facts to the proper United States district attorney, referring him, at the same time, to the terms of the above-mentioned decision of the Supreme Court.

Suit for taxes must be prosecuted in the United States courts under the management of the United States district attorney.

A complete record should be kept by the collector of all internal-rev-

enue cases in suit in his district, and of all violations of the internal-revenue law reported to the United States district attorney, under the provisions of section 3164, Revised Statutes, or reported to the Commissioner of Internal Revenue, except cases of slight and technical violations of law not requiring prosecution. (See Circular Letter to collectors dated October 9, 1884.)

Record No. 54 is prescribed and furnished for use for all such cases except proceedings *in rem*, and it is desired that the record of all suits on bonds and suits for taxes as well as proceedings for fines and penalties should be kept therein. The printed headings of the various columns indicate clearly the nature of the entries to be made in each case.

The date of the collector's report of the case to the Commissioner of Internal Revenue should be given under the head of "Action taken by the collector."

The nature of the recommendation made by the collector in reporting the cases to the United States district attorney should also be stated under the same head.

In a suit for taxes the amount sued for should be stated in the column headed "Nature of suit or offense."

The entries should be made continuously in regular order according to date, and the book should be kept written up to date.

Suits against Internal-Revenue Officers.

Section 643, Revised Statutes, United States, provides that certain suits or prosecutions against revenue officers, in any State court, may be removed to the circuit court of the United States upon the petition of the defendant to said circuit court.

Section 771 makes it the duty of the district attorney, where certain suits or proceedings shall be pending, to defend such officers; and section 827 provides for their compensation for such service when they are directed to defend such officer, by the proper officers of the Government.

Therefore, in such cases, application should be promptly made to this office for directions to be given to the district attorney to defend such suits.

Employment of Attorneys Prohibited.

District attorneys are authorized and required to prosecute all suits arising under the internal-revenue laws; and, as above stated, it is made their duty to appear on behalf of all revenue officers who are proceeded against for their official acts.

Section 365, Revised Statutes, provides that—

"No compensation shall hereafter be allowed to any person, besides the respective district attorneys and assistant district attorneys for services as an attorney or counselor to the United States, or to any branch or Department of the Government thereof, except in cases specially authorized by law, and then only on the certificate of the Attorney-General that such services were actually rendered, and that the same could not be performed by the Attorney-General, or Solicitor-General, or the officers of the Department of Justice, or by the district attorneys."

All internal-revenue officers should distinctly understand that this provision of law prohibits the employment or payment by the United States of any attorney or counsel except as therein provided.

Mode of Procedure under Section 3460, *Revised Statutes, United States.*

The provisions of this section are imperative, and must be strictly followed in all cases where the property seized, is, in the opinion of the collector or deputy collector making the seizure, of the value of five hundred dollars or less, exclusive of the tax, if the property is subject to tax.

Immediately after the seizure, the collector will report the same to this office on Form 117, stating what proceedings have been taken, and, after the appraisement provided for, he will advertise for claimant, as required by law.

A careful study of section 3460, Revised Statutes, with all its subdivisions, is enjoined upon the collector and deputy collectors, in order that they may fully understand it, so that no errors or omissions in the proceedings shall occur. As soon as the prescribed appraisement (for which the printed form, No. 226, should be used) has been sworn to, the notice of seizure (which is, in effect, a monition to claimants) should be published without delay, if the property seized is of such value that there can be no doubt that the proceeds of sale will cover the expenses. Especially should the proceedings, appraisement, publication of notice of seizure, notice of sale, and the sale be expedited as soon as legally possible when live animals have been seized. In this event, the officer who has seized such animals should immediately place them in charge of a responsible person, who will agree to feed and take care of them at the lowest rate possible. Horses and oxen ought to be kept during certain seasons for their reasonable use, but if such terms can not be obtained, no more than twenty-five cents per day ought to be charged for each. Reports on Form 117 should state the terms agreed on for the feeding and keeping of live animals.

After a sale has been effected (which sale should be made as early as practicable after the seizure, provided the claimants do not give the required bond, and thus take the case into the United States court), the collector will forward to the Commissioner of Internal Revenue a full and particular account of his action, giving each item of expense incurred, supported by proper vouchers, when it is possible to obtain the same. No item of expense will be allowed unless it be shown that the same was necessarily incurred. No expenses of this kind should be included in the collector's quarterly expense account. In cases where it is necessary or (from the nature of the property seized) expedient to employ an auctioneer to sell the same—and one is actually employed for this purpose—the commissions actually paid, if reasonable and not in excess of the usual charges of auctioneers for such services, may be included in the expenses and paid from the gross proceeds of the property sold. Report of sale should be made on Form 210.

The entire net proceeds of sale should at once, after payment of the expenses, be deposited to the credit of the Secretary of the Treasury, and the duplicate certificate of deposit forwarded to the Commissioner, accompanied by a letter of transmittal, stating that it is for proceeds of sale under provisions of this section of law, which information should also appear upon the face of the certificate.

Should the claimants give bond, as provided in this section, the collector will so advise this office. It will be observed, however, that the execution of such bond does not entitle the claimants to the possession of the property seized, but simply takes the question of forfeiture into the United States court.

The three weeks' notice requiring parties to appear and make claim, within thirty days from the date of its first publication, and the ten days' notice of sale, need appear only in the weekly issues of the paper advertising such notices; and, in case of small lots of property, the notice of sale may be published, at the discretion of the collector or his deputy, by written notices posted in conspicuous places, thereby avoiding the expense of publishing the notice of sale in a newspaper.

In cases where the value of the property seized is so small that it will not warrant proceedings for its sale by itself under the section mentioned, the property may be stored, in the least expensive manner possible, until such time as a sufficient amount of property similarly situated has accumulated to warrant the expense of sale, when the several lots may be sold together and treated as a unit, so far as incurring expense in common is concerned; but in the notice to appear, &c., each particular lot should be so distinctly described as to render it

capable of identification by any person desiring to make claim thereto; and, in finally reporting the cases to the Commissioner, a separate and distinct report of sale of each particular lot of property seized should be made. In such cases the total expense incurred in common must be divided among the several lots of property, and to the account of each must be charged its proportionate share of common expense, but any special expense incident to a particular lot of property must be charged to such lot in the report of its sale.

In case of spirits, which, when offered for sale, will not, by reason of being below proof, bring a price equal to the tax due and payable thereon, but will bring a price equal to or greater than the tax on said spirits, computed only upon the proof-gallons contained in the packages without regard to the greater number of wine-gallons contained therein, the collector may, upon making sale thereof, use tax-paid stamps to the amount required to stamp such spirits as if the tax thereon were only on the proof-gallons thereof, without making payment for the stamps so used, in accordance with the provisions of section 3334, Revised Statutes, as amended, and he will use so much of the proceeds as may be required, to pay for the expenses of sale, and deposit any balance remaining to the credit of the Treasurer of the United States as so much tax collected, reporting the same on Form 58. Should the proceeds not be sufficient to pay the expenses, a bill for the amount not paid for from the proceeds may be presented.

In such cases the collector will be particular to have the officer who sells the spirits affix the stamps securely and write across the face of the same as provided in said section, and the collector will present the affidavit of the officer who affixes the stamps, as to the kind, denomination, and numbers of the stamps used, and his own affidavit that such stamps were issued from his office, as a voucher upon which to obtain credit for the same in settling his stamp-account.

In case forfeited property should sell for enough to pay the tax due, but not for enough to pay all of the expenses of seizure and sale, in addition to the tax that may be due, a bill for the actual expenses necessarily incurred, and not paid for from the proceeds of sale, may be presented, except in the case of tobacco, snuff, or cigars, for which the stamps denoting the tax thereon may be used without paying for the same, and application may be made to this office for credit on the collector's stamp-account, in accordance with the provisions of section 3369, Revised Statutes. If the entire proceeds in such case of sale of tobacco, snuff, or cigars, are insufficient to pay the expenses of seizure and sale, a bill may be presented for the balance. If they are more

than sufficient to pay said expenses, the balance should be applied towards payment of the stamps used, and credit asked for such amount of stamps as were not paid for. Spirits forfeited under this section (section 3460, Revised Statutes) are always to be be sold subject to tax; that is, the purchaser must pay the tax.

In case of sale of small lots of spirits containing five or more and less than ten gallons, there being no stamp for such quantity, the officer selling the same will place upon the package his certificate of the fact of sale and collection of tax due on the spirits.

In case of tobacco, snuff, cigars, or distilled spirits so inconsiderable in value as not to bring a price equal to the tax due and payable thereon when offered for sale, and in the case of spirits, not even to bring a price equal to the tax computed only upon the proof-gallons thereof, the collector may present a bill for the actual expenses necessarily incurred and request authority to destroy the same. (See sections 3369 and 3450, Revised Statutes, as amended, and Circular No. 224, dated March 23, 1880.)

The collector should forward the report of sale on Form 210 with vouchers for expenses and certificate of deposit for the net proceeds, immediately after the sale has been made, in order that the account may be examined, and errors, if any have occurred, may be corrected while the transaction is still fresh in mind.

All vouchers for advertising in such cases should be made out on Form 153 or be accompanied by the sworn statement of rates required by law. (See Special No. 191 and page 59 of these regulations.)

Distraint and Seizures—Bill of Fees and Charges.

When a warrant of distraint is issued the collector will make docket entry of the same in the last part of Record 44, which entry should be substantially a transcript of the schedule on the inside of the warrant. Each warrant should be numbered, and the number and the name of the deputy to whom issued entered in Record 44 (either on a line preceding the names of tax-payers or in a separate column ruled for the purpose at left of page). This will enable the collector to readily trace every warrant issued, and insure its prompt return. Upon the return of the warrant by the deputy, the entries in the docket should be completed so that it will give a complete history of all proceedings on said warrant, and in case of the sale of real estate, proper entries should also be made in Record 21. Upon the execution of the warrant it should be promptly returned to the collector with a report showing, in full, what action was taken in each case, a description of the property

levied upon, date of notice and sale, amount realized, amount of costs of levy and sale, and disposition made of the proceeds.

Pursuant to section 3206, Revised Statutes, the Commissioner of Internal Revenue hereby prescribes the following fees and charges, to be allowed in all cases of distraint and other seizures, in lieu of those heretofore prescribed, viz:

1st. Traveling-fees for executing warrant of distraint, or for making seizure and sale for fraud, &c., for actual and necessary travel (one way only), per mile, ten cents.

2d. Custody of property seized or distrained, allowed only in cases named below, per day of twenty-four hours, not to exceed two dollars and fifty cents.

3d. Expenses of removal, storage, and insurance, amount actually and necessarily paid.

4th. Advertising in newspapers, amount actually paid in conformity with established rates of the newspapers.

5th. Advertising by posters, amount paid for printing or posting of posters, not to exceed, in any case, three dollars.

6th. Fee on sale of real estate, ten dollars.

7th. Drawing and executing deed, to be paid by purchasers after the year of redemption has expired, the amount actually paid to an attorney for making such deed, not, however, to exceed five dollars in any case.

8th. Recording deed to the United States, the amount actually paid.

In case of seizure of real estate under the provisions of section 3196, Revised Statutes, United States, where the collector can not otherwise obtain such a description of the real estate as would be required in a deed of the property seized, he may employ a competent practical surveyor to establish the metes and bounds and compute the area of the property, and may pay him therefor his reasonable fees.

In calculating mileage no return travel should be included. The travel is to be computed from the office of the officer who makes service or seizure to the place of service or seizure by the most direct practicable route. Where the officer makes service or seizure in more than one case at the same time and place, only one mileage should be charged, or if at different places in the same trip, as, for example, at A, B, and C, he can charge one mileage to A—that is, to the place nearest to his office by the most direct practicable route—one from A to B, and one from B to C, &c.

This rule will not apply, however, to any case where the distance from A to B or B to C, &c., is greater than the distance to either of such places from the office of the officer.

Where the officer serving a warrant learns, upon reaching the place where the party recently resided, that he has removed, and follows to his present residence, he is entitled to charge for the entire distance actually traveled in order to complete the service.

The "service" of the warrant is not complete in the case of personal property, unless the officer actually takes possession of some piece or article of property. In the case of real estate, the distraining officer should make service of the warrant in the same manner that the sheriff levies execution upon real estate, and thereupon notice must be given as prescribed in section 3197, Revised Statutes, United States.

In all cases where the expenses of seizure are paid by the Government, such as, for instance, where real estate is bid in for the United States, and other cases provided for in these regulations, and the collector renders a special account to this office for his expenses, charges for mileage must not be included, but in lieu thereof the traveling expenses actually incurred, supported by vouchers.

All sums received by a deputy collector for mileage or traveling expenses, as herein provided, should be by him reported on Form 63½ for the month in which received, referring to the cases in which collected, and deducting the amount from the aggregate of expenses incurred as shown in the itemized statement on that form.

The fee for custody herein prescribed is the maximum rate to be paid in any case, but where the property is retained for a considerable time, and, in some other cases, it is presumed the collector can, and it is expected that he will, whenever practicable, secure the services of a proper person at a less expense.

The fee for custody is allowed only in cases where removal would be attended with great and unnecessary expense or injury to the property, and where its safe-keeping requires the custodian, as in the case of a distillery, a tobacco-factory, a store containing a large quantity of goods subject to seizure, and like cases. In no event will a merely constructive charge for custody be allowed.

When the property can readily and cheaply be moved to and kept in a warehouse owned by responsible business men, at the usual rates of storage, the latter only will be allowed, and no charge for custody will be allowed while the property is so stored. In such case the collector should take the usual warehouse receipt.

The fee for drawing and executing a deed to a private purchaser must be paid by the purchaser when the deed is made.

In cases where real estate is purchased for the United States, the act of March 1, 1879, provides that the deed shall be prepared and ap-

proved by the United States district attorney for the district in which the property is situate, for which service he is allowed a fee of five dollars, to be included in his accounts to the Department.

No valid deed for property sold on warrant of distraint can be made until after the year of redemption has expired.

Any officer who shall demand or receive any fee or sum as herein prescribed, without the actual performance of the service or incurrence of expense for which it is allowed, will thereby incur the penalties provided in section 3169, Revised Statutes, United States.

The special attention of collectors is directed to the clause in section 3458, Revised Statutes, United States, which provides that "the cost of seizure made before process issues" from the court "shall be taxable by the court." Under this clause, in cases of seizure that are disposed of in court, collectors should be careful to render to the clerk of the court their bill of costs as soon as the marshal takes possession of the property, or very soon thereafter.

When the case is finally disposed of the collector should forward to this office a special account on Form 131 of these costs and expenses, accompanied by proper vouchers, and a certificate from the clerk of the court showing that they have been taxed by the court as herein provided, when the amount, if proper, will be reimbursed to him. In all such cases the property should be turned over to the marshal, as provided in section 3458, Revised Statutes, as soon as possible after seizure, so that the expenses of custody, &c., of the collector will be reduced to the minimum, as there is no provision for advancing to a collector any funds for such purposes.

CHANGE OF COLLECTORS.

Duty of Outgoing Collectors—Transfer of Taxes.

A collector on going out of office must transfer to his successor in office all of the taxes outstanding on lists in his hands, whether delivered to him by a former assessor, by this office, or by other collectors, or by his predecessors in office, in the following manner:

All taxes that are supposed to be collectible should be scheduled separately, in detail and by lists, and indorsed "Schedule A—Amount of collectible taxes transferred to successor."

All taxes that have been referred to the United States district attorney for suit should be scheduled separately, in detail and by lists, and the schedule indorsed "Schedule B—Amount of taxes in suit transferred to successor." This schedule should only include such taxes

referred to the United States district attorney as are still in suit, and should be accompanied by a statement from that officer that the bonds covering the taxes in suit are in his possession.

All taxes on account of which property has been purchased or bid in for the United States on distraint, where the right of redemption by the owner or owners of said property still exists, should be scheduled separately, in detail and by lists, and indorsed "Schedule C—Amount of taxes for which property has been sold on distraint, and bid in for the United States, transferred to successor." This schedule should be accompanied by a statement of the outgoing collector's action in regard to the property bid in for the United States on distraint.

All taxes the collection of which is suspended by order of this office should be scheduled separately, in detail and by lists, and indorsed "Schedule D—Amount of taxes the collection of which is suspended, transferred to successor." This schedule should be accompanied by copies of the letters or telegrams suspending the collection of the taxes enumerated therein.

All taxes claimed to be erroneously assessed, or known to be uncollectible, should be scheduled separately, in detail and by lists, and indorsed "Schedule E—Amount of uncollectible and erroneous taxes transferred to successor." This schedule should include all taxes covered by claims for abatement unacted upon or pending in this office at the time the transfer is made, the date when the claims were filed, and the number of the schedule on which claimed should be given. For all of said taxes not covered by claims pending in the office as aforesaid, the outgoing collector must prepare claims for abatement in the manner prescribed by existing regulations. The pending and newly-prepared claims should be stated in separate columns, showing the amount on each list.

All taxes receipted for on Form 23½ for which stamps have been issued, and which are covered by claims for credit on Forms 66 or 66*a*, should be scheduled in detail and by lists, and the schedule indorsed "Supplementary Schedule E."

All claims of this kind on lists of an outgoing collector should be prepared by him, and sent to this office with the books of stubs from which the stamps covering the taxes were cut. The outgoing collector should make an indorsement on the form (66 or 66*a*), covering taxes of this kind transferred, that said taxes have been transferred to his successor, "Collector ——— ———," and that the credit therefor, when allowed, should be given to the latter.

These schedules should be prepared in triplicate, and the receipt of the collector to whom the transfer is made should be attached thereto;

one set of said schedules to be retained by the outgoing, one by the incoming collector, and one to be sent to this office with final report on Form 79 of the outgoing collector.

There must also be attached to each of the schedules sent to this office (except "Supplementary Schedule E") an affidavit by the outgoing collector that he has used due diligence to collect the taxes transferred therein, and that, to the best of his knowledge and belief, none of them have been collected, and that the failure to collect is not justly chargeable to any lack of diligence on the part of the collector or of his deputies.

Form 238 has been prepared for the schedules herein required, and should be used in all cases where practicable.

Any collector going out of office who transfers to his successor in office all taxes in his hands, accompanied by the required affidavits, and in accordance with the foregoing instructions, and forwards promptly to this office all required reports and accounts, will immediately receive credit therefor in his account, and his successor will be charged with the same, provided that the evidence furnished that due diligence was used by the outgoing collector while in office to collect said taxes shall be satisfactory to the Commissioner of Internal Revenue.

In the event of any outgoing collector failing to transfer to his successor in office the taxes in his hands, whether delivered to him by a former assessor or by other collectors, or by his predecessor in office, or by the Commissioner of Internal Revenue, in accordance with the foregoing instructions, or having transferred them, fails to satisfy the Commissioner of Internal Revenue of the exercise of due diligence by such outgoing collector concerning the taxes transferred, he will be held in his account for said taxes until accounted for either by abatement to himself, collection by his successor, or in such other way as may be satisfactory to this office, and in case of unnecessary delay in accounting therefor, his account will be referred to the accounting officers of the Treasury, in order that suit may be brought against him on his official bond.

Great care should be exercised by outgoing collectors not to include in the schedules of taxes transferred to successor any taxes paid either to them or their deputies prior to the transfer.

In case any taxes thus paid are transferred, it will be the duty of the new collector to at once make demand upon the late collector to whom, or whose deputies, the taxes were paid for the amount of the same. In case the predecessor does not comply with the demand made on him, the collector should at once report the fact to this office for such action as the circumstances of the case will warrant.

The outgoing collector should at once transmit to this office all reports and accounts required by law and regulations, up to and including the last day of his term of office.

The public property, including all annual and monthly lists of taxes; all official reports, letters, and records; all stationery, forms, blanks, books, laws, circulars, specials, decisions, pamphlets containing instructions, Internal-Revenue Records, postage-stamps, hydrometers and manuals, or receipts of gaugers therefor, gauging-rods, locks, and seals, microscopes and slides, ordnance, and whatever else is furnished or paid for by the Government, must be delivered by the outgoing collector to his successor. The inventory of the same, after being receipted for by the new incumbent, should be forwarded to this office, with his final account on "Form 44."

Transfer of Stamps.

An outgoing collector should transfer to his successor all stamps for distilled spirits, fermented liquors, tobacco, snuff, cigars, and cigarettes, special taxes, and oleomargarine, remaining on hand, excepting partially-used books of coupon stamps having a value, which should be transmitted to the Commissioner. Receipts therefor, on Form 239, showing the total number and value of each denomination of stamps transferred, and where books are transferred the serial number of each book should be taken in triplicate, one copy of which should be retained by the outgoing collector, one copy accompany his final reports on Forms 68, 76, 90, 103, 177, and 222, and one copy be retained by the incoming collector.

There should be a separate receipt for each kind of stamps transferred.

Bonded Goods.

The outgoing collector should also transfer to his successor all merchandise in bonded warehouse for which he is accountable in his bonded account, warehousing and transportation bonds, &c., as directed on page 31 of these regulations.

Prompt and exact compliance with these instructions by collectors will insure an early settlement of their accounts.

Duty and Responsibility of Succeeding Collectors.

Section 3218, Revised Statutes, United States, reads as follows:

"Every collector shall be charged with the whole amount of taxes, whether contained in lists transmitted to him by the Commissioner of Internal Revenue, or by other collectors, or delivered to him by his

predecessor in office, and with the additions thereto, with the par value of all stamps deposited with him, and with all moneys collected for penalties, forfeitures, fees, or costs; and he shall be credited with all payments into the Treasury made as provided by law, with all stamps returned by him uncanceled to the Treasury, and with the amount of taxes contained in the lists transmitted in the manner heretofore provided to other collectors, and by them receipted as aforesaid; also with the amount of the taxes of such persons as may have absconded, or become insolvent, prior to the day when the tax ought, according to the provisions of law, to have been collected, and with all uncollected taxes transferred by him or by his deputy acting as collector to his successor in office: *Provided*, That it shall be proved to the satisfaction of the Commissioner of Internal Revenue, who shall certify the facts to the First Comptroller of the Treasury, that due diligence was used by the collector. And each collector shall also be credited with the amount of all property purchased by him for the use of the United States, provided he faithfully account for and pay over the proceeds thereof upon a resale of the same as required by law."

Section 3219 provides that, "In case of the death, resignation, or removal of any collector, all lists and accounts of taxes uncollected shall be transferred to his successor in office as soon as such successor is appointed and qualified; and it shall be the duty of such successor to collect the same."

A collector must receipt for, and he will be charged with, all the taxes transferred to him by his predecessor in office that are covered by Schedules A, B, C, D, and E, provided due diligence has been used by the latter to collect the same and the instructions on page 101 of these regulations have been complied with; and these taxes should be taken up on Form 51, in the assessment column, and reported until they are accounted for. If any of said taxes are found to be uncollectible, they will be abated to the collector to whom they stand charged, upon the rendition of proper vouchers, either on Forms 47 and 48½ or Forms 48 and 53, as the case requires.

In the event that any taxes transferred to a collector by his predecessor as being uncollected are found to have been collected by the latter or any of his deputies, the new collector should at once make demand upon the late collector, to whom or whose deputies the taxes were paid, for the amount of the same; and should his predecessor comply therewith, he should report the taxes collected in the same manner as if paid directly to him by the tax-payers.

In case the predecessor does not comply with the demand thus made on him, the amount of said taxes will be charged back, upon sufficient evidence being furnished to this office to justify such a procedure. In such cases, it will be sufficient for the collector to forward to the Commissioner of Internal Revenue a copy of the original receipts in the

hands of the tax-payers, duly authenticated; or, if this be not practicable, the collector's affidavit, and that of the deputy charged with the collection of the taxes, to the effect that satisfactory evidence has been presented by the tax-payer that the taxes in question were paid to the late collector or any of his deputies.

This schedule should not be sent to this office until all the taxes thus paid have been ascertained. It should be as complete as possible, setting forth each tax, the list on which assessed, &c., and should be sustained by the best obtainable evidence. An incoming collector should be able to transmit this schedule within ninety days from the beginning of his term. This action, however, should not be taken until a proper demand has been made by the collector upon his predecessor for the amount of such taxes.

A collector must also receipt for, and he will be charged with, all stamps transferred to him by his predecessor, as herein provided. And he must take up on his report the stamps so transferred to him, stating the facts of such transfer, and giving the date of the transfer and the name of his predecessor from whom such stamps were received.

For instructions as to duty of incoming collector as to merchandise in bonded warehouses, see page 32 of these regulations.

Consolidation of Districts.

Whenever, under the various sections of the internal-revenue laws, two or more collection districts are consolidated and made one, the collector appointed for the district thus newly organized will be regarded as the successor of the collectors of the obsolete districts, and the foregoing regulations will in every instance be strictly observed.

If the collector of one of the old districts is appointed collector of the new district, he must be regarded as a new collector, and successor to himself as collector of the old district, and must close out his old account accordingly.

Whenever a collector gives a new bond under any provisions of law, his account as collector under bonds previously given will be closed, and he should transfer to himself, as his own successor, all taxes and stamps, as herein provided. In all such cases, however, where a collector is his own successor, partially-used books of coupon stamps may be transferred, instead of returning them to this office, if desired, and schedules of taxes and stamps transferred can be prepared in duplicate instead of triplicate.

MISCELLANEOUS ACCOUNTS.

Expenditures from Appropriation for Discovering Violations of Internal-Revenue Laws, &c., Accounts therefor, &c.

An annual appropriation is made to carry out the provisions of section 3463, Revised Statutes, "for detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws, or conniving at the same, in cases where such expenses are not otherwise provided for by law."

This appropriation is made for the express purpose of obtaining information which will lead to the detection of violations of the internal-revenue laws, and of enabling the proper officers to employ extraordinary means to discover and suppress frauds. Its limited sum requires in its expenditure the exercise of careful economy, but a judicious use of the amount available will, it is believed, bring to light many violations of law which otherwise would remain undiscovered, and to punishment guilty persons who would otherwise escape it, and result in materially increasing the collection of the taxes imposed by the internal-revenue laws.

Allowances from this appropriation are made by the Commissioner to such collectors and agents, in such sums and upon such conditions as he may deem necessary, to detect frauds and bring offenders to punishment, but only when, in his opinion, such discoveries and arrests can not be made by the ordinary means provided for the collection of taxes and the enforcement of the laws.

Application for an allowance from this appropriation should state specifically the necessity for it and contain an estimate of the amount required.

No expenditure chargeable thereto should be made, nor any liability for the same incurred by any collector or agent, until so authorized by this office.

When a fixed sum has been allowed to a collector or agent for a definite time, the expenditures during that period must not exceed the allowance. If the allowance is found to be inadequate, this office should be so informed, and application made for the sum required. In cases of emergency, application for an allowance or increased allowance should be by telegraph.

Collectors and agents will bear in mind that in no case can payments be made from the appropriation above named for services or expenses to any general or special deputy collector, or for any services or expenses which are otherwise provided for by law.

Persons employed by agents to assist them in detecting violations of

internal-revenue law are not clothed with any of the powers given by law to officers or agents of internal revenue.

Accounts for expenditures under this appropriation must be rendered on Form 131, supported by proper vouchers on Form 10. The account must in all cases be made out in the name of the officer authorized by this office to make the expenditure, and must be receipted and sworn to by him.

The vouchers on Form 10 must always be taken in the name of the authorized collector or agent, and must be signed and sworn to by the claimant. Whenever the signature is by mark, it must be witnessed. The body of the voucher must state the amount paid or claimed (if a per diem compensation, the rate per day), the nature of the services rendered, and when the period covered by the claim commenced and ended.

A report containing a succinct history of the operations of the person or persons employed, with the results accomplished, must accompany each account. In this report, it must be stated how and where the persons employed were occupied each day for which pay is claimed.

Reports on Form 162, "Illicit Stills Seized, &c.," should always precede or accompany such accounts on Form 131 of collectors. If the collector is unable to state in that report the number of persons arrested during the month for which the account is rendered, it need not be withheld for that reason, but the number must be stated in a subsequent report, noting the month or months in which the arrests were made.

When stills are destroyed, report on Form 161 should also precede the rendering of these accounts.

A copy of the letter authorizing the expenditure must in all cases be transmitted with the account.

All such accounts must be made promptly at the end of each month, and should, if possible, embrace all expenditures incurred during the month for which they are rendered. If that is impracticable, as in case of an organized and continuous movement against illicit distillers which may embrace a portion of two months, they should be forwarded as soon as possible after the expenditure is made. If vouchers covering all the expenditures for the month can not be obtained without materially delaying the account, they may be included in the next or a subsequent monthly account. The multiplication of accounts on this form should be avoided, and only in urgent and exceptional cases should more than one account be sent to this office in any one month.

No such account will be approved and sent forward for adjustment, unless the instructions contained herein are strictly complied with.

INTERNAL-REVENUE AGENTS.

Monthly Accounts for Salary.

The compensation of agents is fixed in their warrants of employment, and whenever it is changed a new warrant is issued.

Accounts for salary should be rendered promptly each month on Form 54. Each day on which the agent was employed on official duty should be designated, the oath properly executed, and the receipt signed in blank. No per-diem compensation for Sundays will be allowed except under extraordinary circumstances, which should be set forth in a letter accompanying the account.

Agents are allowed the same pay as on other days for the 1st day of January, the 22d day of February, the day which is celebrated as "Memorial" or "Decoration Day," the 4th day of July, the 25th day of December, and for such other days as may be designated by the President for national thanksgiving. (Joint resolutions, approved January 6, 1885, and February 23, 1887.)

These accounts will be paid by checks of the disbursing clerk of the Treasury, which will be forwarded to the agent from the office of the Commissioner of Internal Revenue.

Monthly Accounts for Personal Expenses.

Accounts for expenses should be rendered monthly, on Form 132. The account should be receipted, sworn to, and all the blanks properly filled out. The affidavit may be made before any officer of internal revenue authorized by section 3165, Revised Statutes, or any other officer duly authorized to administer oaths. In case it is not taken before an officer of internal revenue or an officer using a seal, it should be accompanied by the certificate of some proper officer with his seal attached, that the person before whom the oath was taken was duly authorized to administer the same.

All expenses should be itemized as indicated on the form, and all items exceeding one dollar, except fares by public conveyance, supported by vouchers. All such charges for fares must show the places to and from which they were incurred. Livery bills must show the distances traveled, the time occupied, and the object of the journey. All vouchers must be properly receipted and numbered consecutively.

Under the provisions of the act of March 3, 1885, revenue agents are allowed commutation in lieu of subsistence, instead of actual expenses "while traveling on duty," at the rate of three dollars per day, as fixed by the Secretary of the Treasury. The First Comptroller of the

Treasury has decided that the phrase "while traveling on duty," as used in the law referred to, may be understood to include "each day while engaged on business away from their places of residence."

The claim for per diem allowance for subsistence should be embraced in a separate item in the monthly expense account. If charged for the entire month, it can be stated as from 1st to 31st, inclusive, thirty-one days, or thirty days, if for a thirty-day month. If charged for a less number of days, each day included should be specified.

When agents are at their homes or places of residence, no charge for subsistence will be allowed.

Actual fares on railroads, steamboats, and other conveyances, by the shortest practicable route, the hire of special transportation where there are no regular means of conveyance, street-car, omnibus, or transfer-coach fare to and from depots and hotels, and, where there are no such conveyances, moderate and necessary hack hire, sleeping-car fare for one double berth on railroads, customary state-room accommodation on steamboats and other vessels, one seat in a parlor car will be allowed as actual traveling expenses.

It is expected that agents in all their expenditures will practice the same economy which a prudent business man would exercise in his ordinary traveling expenses.

All such accounts received at this Department which are not rendered in accordance with the foregoing instructions will be at once returned to the agent for correction.

Agents will bear in mind that their accounts for services and expenses will not be approved until their tri-monthly diary reports have been rendered as required.

Witness Fees.

When a revenue agent is in attendance as a witness in behalf of the Government before any United States court, and is allowed fees or the actual expenses of such attendance, as provided in section 850, Revised Statutes, he should file with his monthly expense account for the month in which such amounts are received a certificate from the United States marshal or other officer of the court paying the same, stating the exact amount so paid him, the particular time embraced, and the title of the suit, indictment, complaint, or proceedings if *in rem* case.

The amount of fees or expenses so received should be deducted from the total of the expense account with which it is filed.

Transportation over Subsidized Railroads.

In accordance with the provisions of section 5260, Revised Statutes, and the decisions of the courts thereunder, as set forth in Department

Circulars No. 168, dated November 29, 1879, and No. 83, dated June 27, 1883, agents should not incur any expense for transportation over either of the following-named subsidized railroads:

	Miles.
Union Pacific Railway Company:	
Council Bluffs, Iowa, to Ogden, Utah (main line)	1,033.34
Kansas City, Missouri, to 394th mile-post (Kansas Division)	394
Central Pacific Railroad Company (operated by the Southern Pacific Railroad Company):	
Ogden Station, Utah, to Sacramento, California (main line)	742.61
Brighton, California, to Lathrop, California (Western Pacific)	51.21
Lathrop, California, to Tracy, California (Western Pacific)	11.09
Tracy, California, to Niles, California (Western Pacific)	41.53
Niles, California, to San José, California (Western Pacific)	17.54
Sioux City and Pacific Railroad Company:	
Sioux City, Iowa, to California Junction, Iowa	69.75
California Junction, Iowa, to Fremont, Nebraska	32.02
Central Branch Union Pacific Railroad Company (operated by Missouri Pacific Railroad Company):	
Atchison, Kansas, to Waterville, Kansas	100

Agents having occasion in the performance of their official duties to travel over either of the before-mentioned railroads will be furnished with the proper orders for transportation on application to this office.

Agents through whose divisions either of these railroads runs should make seasonable application for one month's supply of transportation orders.

When the journey made extends the entire length of one of the subsidized railroads, as from Council Bluffs to Ogden, the agent should note this fact upon the order in the words "*through limited trip.*" When the journey is not continuous over the whole line, but is continuous between two stations on said road, the agent should indorse upon the order the word "*limited.*"

Agents using such transportation orders will be required to render to this office a monthly report of the same, stating the number of orders used, the serial number of each, the stations between which the orders were used, and the date of the journey.

Agents having in their possession transportation orders for which they have no further use should return them to this office.

Distillery Surveyor's Accounts.

Expenses incurred by collectors in making surveys of distilleries under the provisions of section 3264, Revised Statutes, as amended, should be embraced in their quarterly expense accounts. (See page 59 of these regulations.)

Accounts of deputy collectors designated by the collector to make such surveys in his stead, and of the assistant designated by the Commissioner of Internal Revenue, should be made out on Form 133, and forwarded to this office for payment.

All expenses of this character incurred in any one month should be embraced in one account.

The account should show the name of the distiller, and *number* and *location* of each distillery surveyed, its daily spirit-producing capacity, whether the distillery surveyed is for *grain*, *molasses*, or *fruit*, and whether it is a *new* survey or a *resurvey*. If the charges are for a resurvey, the date of the letter from this office ordering such resurvey should be stated, or the reason given for making a resurvey without an order.

All surveys made for the correction of errors in former surveys must be made under a special order from this office.

For instructions as to surveys and resurveys, see Series 7, No. 7, pages 12 to 18.

If a deputy collector is designated for the purpose of making surveys, the designation must be in writing, and collectors should report to this office the name of each deputy designated for this purpose, with the date of designation; and also promptly report the revocation of such a designation and its date.

Expenses.

The vouchers for expenses should be numbered in the order in which they are entered in the itemized statement, and should be referred to by number.

All items of expense exceeding one dollar, except for travel by public conveyance, must be supported by vouchers.

Hotel bills should state the time and rate per diem.

When traveling, the place from which the surveyor started, the distillery or distilleries visited, and the distances traveled each day, for which expenses are charged, should be stated.

In all cases, when practicable, public conveyances should be used. If a hired conveyance is used, it should be engaged at the lowest practicable rates, and if used for a number of consecutive days, the rate should be less than for a single day.

While it is impracticable to fix the amount that should be paid for hire of conveyance in each case, it is the opinion of this office that no more than three dollars per day should be paid for a horse and buggy, and no more than two dollars per day for a saddle-horse, in any case.

If the surveyor uses his own horse under the saddle, or his own horse and buggy, he may be allowed to charge for the former not over one

dollar per day, and for the latter, one dollar and fifty cents per day for the days actually used when away from his own residence, and strictly engaged in the duty of surveying distilleries; but no charge should be made for the per-diem allowance of his own horse, or horse and buggy, on Sundays, or on days when the surveyor is on duty as a deputy collector, and not as a surveyor of distilleries.

The attention of collectors is called to the fact that no claim for the expenses of surveys can be adjusted until the required reports of the surveys, in proper form, are received at this office and examined and found to be correct.

Before attaching his approval to any bill on Form 133, the collector should see that it is properly receipted and sworn to, and that it is prepared in conformity with the herein-mentioned instructions.

Accounts for expenses of survey of distilleries, received at this office, that do not conform to these requirements, can not be considered, but will be at once returned to the collector for correction.

GAUGER'S MONTHLY ACCOUNTS FOR FEES AND EXPENSES.

These accounts should be made out on Form 150, and transmitted to this office for payment.

"Section 3157, Revised Statutes, provides that 'Gaugers shall be entitled to receive such fees, to be determined by the quantity gauged, as may be prescribed by the Commissioner of Internal Revenue; and said fees, together with their actual and necessary traveling expenses, shall be verified by their oaths, and shall be paid by the United States monthly.' "

In accordance with this provision, the following fees, per wine gallon, have been prescribed, to be computed as hereinafter set forth, together with the following regulations made in pursuance thereof:

1. For the first twenty (20) gallons each day, five (5) cents per gallon.

For the next forty (40) gallons each day, two (2) cents per gallon.

For the next two hundred and forty (240) gallons each day, one-half ($\frac{1}{2}$) of one cent per gallon.

For the next seven hundred (700) gallons each day, one-seventh ($\frac{1}{7}$) of one cent per gallon.

All over one thousand (1,000) gallons each day, one-tenth ($\frac{1}{10}$) of one cent per gallon, subject to the limitation of five dollars per day.

2. The above rates apply to all spirits entered for deposit into and withdrawn from warehouse, to fruit-brandy, to spirits gauged for rectifiers, and to gauging done under special orders of this office.

3. The compensation of a gauger is by law limited to "five dollars per day while actually employed." The number of gallons gauged by him during the month will be divided by the number of days *employed*, and the prescribed per-diem fees will be allowed for the daily average amount so found to have been gauged, subject to the limitation of five dollars per day.

4. A gauger will be considered as being on duty and *employed* when he is necessarily traveling on official duty, when on special duty by order of this office, and when under regular assignment and present for duty at one or more rectifying establishments and grain or molasses distilleries while in operation. When a distillery is under regular suspension the withdrawals from its warehouse should be in charge of a gauger under regular assignment to other duty. A gauger whose sole duty is to superintend the withdrawals of spirits from warehouses of one or more grain distilleries during regular suspension, will be allowed for the days only on which withdrawals are made and the days necessarily employed in traveling in the performance of such duty. A gauger will not be allowed pay for any day during which he was not present at his place of assignment. When no gauging is done on any day for which pay is claimed, the gauger must state in his itemized statement, inside of the account, how he was employed on such day, and before approving such account the collector must satisfy himself that the gauger is, by reason of assignment and presence for duty, entitled to pay for each day so charged.

5. A gauger who is necessarily employed a considerable portion of his time in traveling, while in the performance of his duties, and whose fees, at the rates herein prescribed, are thus, in the judgment of the collector, inadequate to reasonably compensate him for the service performed, may be granted a special rate of fees upon a full statement by the collector of all the facts in each case, showing why special action thereon is deemed necessary and just. This special certificate and recommendation of the collector must accompany each account in which the above fees are thus deemed inadequate. It is enjoined upon collectors that they see that gaugers so assigned perform the gauging in their respective divisions in the shortest practicable time, and at as little expense as possible.

Expenses.

6. The actual and necessary traveling expenses incurred by a gauger in the performance of official duty will be allowed. He must make an itemized statement, inside of his account, of all expenses incurred on *each day*, stating the amount and character of each item separately.

He must state where he starts from *each day*, and name the distillery or distilleries and rectifying establishments visited. The distance between any two or more places visited on the same day must be given, and also the whole distance traveled on each day. When both public and private conveyances are used on the same day, the distances traveled by each should be stated. Every item of expense exceeding one dollar, except for travel by public conveyance, must be attended by its proper voucher. Hotel bills *must state the time and rate per diem.*

7. If a gauger uses his own horse under the saddle, or his own horse and buggy, he may be allowed to charge for the former not over one dollar per day, and for the latter, one dollar and fifty cents per day, for the days actually and necessarily used when in the performance of his duties, not within the limits of a city or town.

8. In all cases, when practicable, public conveyance should be used. When omnibus or hack fare is charged, the distance traveled by such conveyance must be stated, otherwise it will not be allowed.

9. Where a gauger is assigned to but one place of duty, or to more than one, but all located within the limits of the same city or town, any charges for traveling expenses must be supported by a special certificate of the collector that such expenses were necessary. In other assignments, embracing two or more grain distilleries or rectifying establishments, the gauger is expected to charge only from the one where his services are mostly needed.

10. When it is necessary for a gauger to hire a horse or a horse and buggy for traveling on official duty, he will be expected to do so on the most favorable terms for the United States, and if obliged to engage it for a number of days in the month it should be at a reduced rate. Should a gauger disregard this injunction, the amount charged will be reduced to what is considered a reasonable rate. Collectors are enjoined to scrutinize with great care the itemized statement of expenses of each gauger before approving the same.

11. Gaugers will be furnished by the collector with official envelopes in sufficient quantities to enable them to transmit their reports without expense for postage.

General Instructions.

12. Each internal-revenue gauger is required to make up his monthly account of fees and expenses *in duplicate*, and forward the same to the collector for his approval within five days after the expiration of the month in which the fees were earned and the expenses incurred, and accounts delayed beyond that time should be accompanied by an ex-

planation of the cause of the delay. The original, with the necessary vouchers for expenses attached, should be forwarded to the Commissioner within ten days after the expiration of the month for which it is made, and the duplicate retained by the collector in his office.

13. Each collector should note on his retained duplicate, Form 108, the date of the transmittal of each of his gauger's accounts.

14. Each collector should report on Form 108 all spirits gauged by each gauger and general store-keeper and gauger during the month, noting separately spirits gauged under orders after seizure.

15. Before approving a gauger's account the collector should see that it agrees, as to quantity gauged, with his report on Form 108. No action towards the adjustment of a gauger's account is taken by this office until Form 108 is received, and collectors should therefore forward said report promptly, as required by the regulations.

16. Collectors should also see that each gauger includes in *one* account *all* fees earned and necessary traveling expenses incurred in any one month, and should not approve duplicate bills, or two or more bills for the same period, without orders from this office.

17. Collectors are reminded that this office has to rely entirely upon their certificate and reports as to the quantity gauged by each gauger, and, principally, as to the amount of traveling expenses that should be allowed, and therefore they should see that no persons are assigned to duty as gaugers unless they are duly commissioned and qualified, and before approving gaugers' bills they should satisfy themselves that the same are *duly sworn to and receipted for by the gaugers;* that the fees charged are correctly computed; that the places where the duties have been performed are fully and accurately specified; and that the traveling expenses charged are reasonable, and were necessarily incurred.

18. *Collectors should assign no more gaugers to duty during any one month than are actually necessary, so that the fees and expenses of gauging may be reduced to the lowest practicable amount, and should revoke the assignments of all gaugers not needed for duty, and report the facts to this office at once.*

19. Gaugers should not assign their accounts, as the drafts in payment thereof will, in all cases, be made payable to the gaugers and sent to the care of the collector, without regard to any assignments that may be made.

20. No internal-revenue gauger shall charge or receive any sum of money, fee, or compensation of any kind whatever, other than the fee prescribed by the Commissioner of Internal Revenue and paid by the

United States, for any cause whatever connected with the performance of his official duties as a United States internal-revenue gauger, under the penalty of removal from office.

21. Internal-revenue gaugers are prohibited from being or becoming interested, directly or indirectly, in the manufacture, purchase, or sale of tobacco, snuff, or cigars, or in the production, rectification, redistillation, or purchase or sale of distilled or fermented liquors. They are not prohibited from engaging in any other business, including "unofficial gauging," which will not interfere with the prompt and efficient discharge of the duties of their office.

22. The Commissioner of Internal Revenue is authorized by law to prescribe the fees for gauging, and the rules and regulations relative thereto; and he reserves to himself the right, after any gauger has rendered his account to this office, to investigate it and decide what fees are to be paid for work performed, as shown therein, whenever such special decision is, in his judgment, just and expedient—subject to the limitation prescribed by law.

23. Each internal-revenue gauger should familiarize himself with the above regulations. Strict compliance therewith, in every particular, will facilitate the prompt settlement of his monthly accounts.

Unofficial Gauging.

Circular 327, dated June 15, 1889, prescribes the following regulations in regard to unofficial gauging, &c., by internal-revenue gaugers:

Where it can be done without interfering with the proper discharge of their official duties, internal-revenue gaugers may do unofficial gauging for distillers and others, or furnish additional copies of, or extracts from, their official reports on Forms 59, or 237 (formerly Form 191), only upon a written request from the person desiring the same. Such applications should state the number of packages to be gauged or reported, and whether an actual gauge is desired, or only an extra copy of the gauger's official report, and all such applications must be filed in the collector's office at the end of each month by the gauger.

The extra copies of reports so furnished must correspond exactly as to serial numbers of packages and stamps, proof, contents, &c., of each package, with the official report of the gauger.

For his services for such unofficial gauging, and for extra copies of his official reports, the gauger may be allowed to collect from the owner of the spirits a sum not exceeding in any case 8 cents a package for each package of spirits actually gauged, or 3 cents for each package embraced in the copy of the report furnished.

At the end of the month the gauger must file with the collector a report showing the names of the persons from whom such fees were collected, and the exact amount received from each during the month.

In making reports of unofficial gauging, or the extra copies of reports of official gauging herein contemplated, the blank forms furnished by the Department should not be used, and such copies are additional to the one copy of each official report which the gauger is required by regulations to furnish to the person for whom the gauging is done without charge.

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[Series 7, No. 2, Revised—Supplement No. 1.]

UNITED STATES INTERNAL REVENUE.

INSTRUCTIONS

TO

INTERNAL-REVENUE OFFICERS

CONCERNING

CREDIT IN THEIR BONDED ACCOUNTS

AS TO

SPIRITS SHIPPED

UNDER

TRANSPORTATION BONDS FOR EXPORT.

JUNE 24, 1891.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1891.

TREASURY DEPARTMENT,
Document No. 1430.
Internal Revenue.

55277

INSTRUCTIONS TO INTERNAL-REVENUE OFFICERS

CONCERNING

Credits on their bonded accounts as to spirits shipped under transportation bonds for export.

TREASURY DEPARTMENT,

Office of the Secretary,

Washington, D. C., June 24, 1891.

Hereafter no credit on account of spirits exported under the provisions of the act of June 9, 1874, as amended by the act of March 1, 1879, will be allowed unless Form 94*a* is accompanied by the certificate of clearance "FF" prescribed in Regulations, Series 7, No. 4, revised, with Forms BB, 206, CC, affidavits of sureties, and detailed report of CUSTOMS GAUGER, under the certificate of the collector of internal revenue, written across the face of the bond in red ink, to the effect that the tax on the deficiency (stating such deficiency in gallons) between the quantity withdrawn from distillery warehouse and the quantity exported has been paid or abated through an allowance under the provisions of the act of December 20, 1879. (See Regulations, Series 7, No. 4, revised.) Where the quantity of spirits shipped for exportation has been divided at the port of export into two lots, no credit will be taken on line 13 of Form 94*a* until both the lots are accounted for, as per Regulations, Series 7, No. 4, revised.

JOHN W. MASON,

Commissioner.

(Series 7—No. 3, Revised January 28, 1899.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS AND INSTRUCTIONS

CONCERNING THE

Tax on Legacies and Distributive Shares,

UNDER THE

ACT OF JUNE 13, 1898.

JANUARY 28, 1899.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
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(**Series 7—No. 3,** Revised January 28, 1899.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS AND INSTRUCTIONS

CONCERNING THE

TAX ON LEGACIES AND DISTRIBUTIVE SHARES.

Treasury Department,
Office of Internal Revenue,
Washington, D. C., January 28, 1899.

The act of Congress approved June 13, 1898, imposing taxes on legacies and distributive shares arising from personal property, is printed for the information of collectors, in connection with the following instructions:

LEGACIES AND DISTRIBUTIVE SHARES OF PERSONAL PROPERTY.

Sec. 29. That any person or persons having in charge or trust, as administrators, executors, or trustees, any legacies or distributive shares arising from personal property, where the whole amount of such personal property as aforesaid shall exceed the sum of ten thousand dollars in actual value, passing, after the passage of this act, from any person possessed of such property, either by will or by the intestate laws of any State or Territory, or any personal property or interest therein, transferred by deed, grant, bargain, sale, or gift, made or intended to take effect in possession or enjoyment after the death of the grantor or bargainer, to any person or persons, or to any body or bodies, politic or corporate, in trust or otherwise, shall be, and hereby are, made subject to a duty or tax, to be paid to the United States, as follows—that is to say: Where the whole amount of said personal property shall exceed in value ten thousand and shall not exceed in value the sum of twenty-five thousand dollars the tax shall be:

First. Where the person or persons entitled to any beneficial interest in such property shall be the lineal issue or lineal ancestor, brother, or sister to the person who died possessed of such property, as aforesaid, at the rate of seventy-five cents for each and every hundred dollars of the clear value of such interest in such property.

Second. Where the person or persons entitled to any beneficial interest in such property shall be the descendant of a brother or sister of the person who died possessed, as aforesaid, at the rate of one dollar and fifty cents for each and every hundred dollars of the clear value of such interest.

Third. Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister of the father or mother, or a descendant of a brother or sister of the father or mother, of the person who died possessed as aforesaid, at the rate of three dollars for each and every hundred dollars of the clear value of such interest.

Fourth. Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister of the grandfather or grandmother, or a descendant of the brother or sister of the grandfather or grandmother, of the person who died possessed as aforesaid, at the rate of four dollars for each and every hundred dollars of the clear value of such interest.

Fifth. Where the person or persons entitled to any beneficial interest in such property shall be in any other degree of collateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the person who died possessed, as aforesaid, or shall be a body politic or corporate, at the rate of five dollars for each and every hundred dollars of the clear value of such interest: *Provided*, That all legacies or property passing by will or by the laws of any State or Territory, to husband or wife of the person died possessed, as aforesaid, shall be exempt from tax or duty.

Where the amount or value of said property shall exceed the sum of twenty-five thousand dollars, but shall not exceed the sum or value of one hundred thousand dollars, the rates of duty or tax above set forth shall be multiplied by one and one-half; and where the amount or value of said property shall exceed the sum of one hundred thousand dollars, but shall not exceed the sum of five hundred thousand dollars, such rates of duty shall be multiplied by two; and where the amount or value of said property shall exceed the sum of five hundred thousand dollars, but shall not exceed the sum of one million dollars, such rates of duty shall be multiplied by two and one-half; and where the amount or value of said property shall exceed the sum of one million dollars, such rates of duty shall be multiplied by three.

SEC. 30. That the tax or duty aforesaid shall be a lien and charge upon the property of every person who may die as aforesaid for twenty years, or until the same shall, within that period, be fully paid to and discharged by the United States; and every executor, administrator, or trustee, before payment and distribution to the legatees, or any parties entitled to beneficial interest therein, shall pay to the collector or deputy collector of the district of which the deceased person was a resident the amount of the duty or tax assessed upon such legacy or distributive share, and shall also make and render to the said collector or deputy collector a schedule, list, or statement, in duplicate, of the amount of such legacy or distributive share, together with the amount of duty which has accrued, or shall accrue, thereon, verified by his oath or affirmation, to be administered and certified thereon by some magistrate or officer having lawful power to administer such oaths, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, which schedule, list, or statement shall contain the names of each and every person entitled to any beneficial interest therein, together with the clear value of such interest, the duplicate of which schedule, list, or statement shall be by him immediately delivered, and the tax thereon paid to such collector; and upon such payment and delivery of such schedule, list, or statement said collector or deputy collector shall grant to such person paying such duty or tax a receipt or receipts for the same in duplicate, which shall be prepared as hereinafter provided. Such receipt or receipts, duly signed and delivered

by such collector or deputy collector, shall be sufficient evidence to entitle such executor, administrator, or trustee to be credited and allowed such payment by every tribunal which, by the laws of any State or Territory, is, or may be, empowered to decide upon and settle the accounts of executors and administrators. And in case such executor, administrator, or trustee shall refuse or neglect to pay the aforesaid duty or tax to the collector or deputy collector, as aforesaid, within the time hereinbefore provided, or shall neglect or refuse to deliver to said collector or deputy collector the duplicate of the schedule, list, or statement of such legacies, property, or personal estate, under oath, as aforesaid, or shall neglect or refuse to deliver the schedule, list, or statement of such legacies, property, or personal estate, under oath, as aforesaid, or shall deliver to said collector or deputy collector a false schedule or statement of such legacies, property, or personal estate, or give the names and relationship of the persons entitled to beneficial interests therein untruly, or shall not truly and correctly set forth and state therein the clear value of such beneficial interest, or where no administration upon such property or personal estate shall have been granted or allowed under existing laws, the collector or deputy collector shall make out such lists and valuation as in other cases of neglect or refusal, and shall assess the duty thereon; and the collector shall commence appropriate proceedings before any court of the United States, in the name of the United States, against such person or persons as may have the actual or constructive custody or possession of such property or personal estate, or any part thereof, and shall subject such property or personal estate, or any portion of the same, to be sold upon the judgment or decree of such court, and from the proceeds of such sale the amount of such tax or duty, together with all costs and expenses of every description to be allowed by such court, shall be first paid, and the balance, if any, deposited according to the order of such court, to be paid under its direction to such person or persons as shall establish title to the same. The deed or deeds, or any proper conveyance of such property or personal estate, or any portion thereof, so sold under such judgment or decree, executed by the officer lawfully charged with carrying the same into effect, shall vest in the purchaser thereof all the title of the delinquent to the property or personal estate sold under and by virtue of such judgment or decree, and shall release every other portion of such property or personal estate from the lien or charge thereon created by this act. And every person or persons who shall have in his possession, charge, or custody any record, file, or paper containing, or supposed to contain, any information concerning such property or personal estate, as aforesaid, passing from any person who may die, as aforesaid, shall exhibit the same at the request of the collector or deputy collector of the district, and to any law officer of the United States, in the performance of his duty under this act, his deputy or agent, who may desire to examine the same. And if any such person, having in his possession, charge, or custody any such records, files, or papers, shall refuse or neglect to exhibit the same on request, as aforesaid, he shall forfeit and pay the sum of five hundred dollars: *Provided*, That in all legal controversies where such deed or title shall be the subject of judicial investigation the recital in said deed shall be prima facie evidence of its truth, and that the requirements of the law had been complied with by the officers of the Government.

SEC. 31. That all administrative, special, or stamp provisions of law, including the laws in relation to the assessment of taxes, not heretofore specifically repealed are hereby made applicable to this act.

In pursuance of the requirements of the above act and by virtue of the authority conferred thereby, the following rules and regulations are hereby prescribed:

The following tables, showing the present worth of an annuity, life interest, and of a reversionary interest, with explanatory notes and examples, are hereby published and promulgated for the use of internal-revenue officers and administrators, executors, or trustees in determining the duty or tax to be paid to the United States upon legacies or distributive shares arising from personal property, imposed by the act of June 13, 1898, entitled "An act to provide ways and means to meet war expenditures, and for other purposes:"

LEGACY TAXES.

Table, single-life, 4 per cent, showing the present worth of an annuity, or life interest, and of a reversionary interest, with explanatory notes and examples.

[United States Internal-Revenue Adjustment, 1898.]

Age.	Mean redemption period.	Annuity, or present value of one dollar due at the end of each year during the life of a person of specified age.	Reversion, or present value of one dollar due at the end of the year of death of a person of specified age.
10	38.891	$19.45359	$0.21332
11	38.507	19.36943	0.21656
12	38.113	19.28184	0.21993
13	37.710	19.19065	0.22344
14	37.298	19.09590	0.22708
15	36.877	18.99764	0.23086
16	36.447	18.89569	0.23478
17	36.010	18.79010	0.23884
18	35.565	18.68070	0.24305
19	35.113	18.56751	0.24740
20	34.652	18.45038	0.25191
21	34.186	18.32932	0.25656
22	33.711	18.20416	0.26138
23	33.230	18.07471	0.26636
24	32.742	17.94097	0.27150
25	32.248	17.80274	0.27682
26	31.747	17.65984	0.28231
27	31.239	17.51224	0.28799
28	30.725	17.35968	0.29386
29	30.205	17.20225	0.29991
30	29.678	17.03961	0.30617
31	29.147	16.87176	0.31262
32	28.608	16.69846	0.31929
33	28.067	16.51964	0.32617
34	27.516	16.33503	0.33327
35	26.961	16.14437	0.34060
36	26.401	15.94755	0.34817
37	25.834	15.74427	0.35599
38	25.263	15.53421	0.36407
39	24.685	15.31722	0.37241
40	24.101	15.09295	0.38104
41	23.511	14.86102	0.38996
42	22.915	14.62122	0.39918
43	22.313	14.37356	0.40871
44	21.708	14.11860	0.41852
45	21.103	13.85713	0.42857
46	20.499	13.58958	0.43886
47	19.896	13.31698	0.44935

Table, single-life, 4 per cent, showing the present worth of an annuity, or life interest, and of a reversionary interest, with explanatory notes and examples—Continued.

[United States Internal-Revenue Adjustment, 1898.]

Age.	Mean redemption period.	Annuity, or present value of one dollar due at the end of each year during the life of a person of specified age.	Reversion, or present value of one dollar due at the end of the year of death of a person of specified age.
48	19.298	$13.03942	$0.46002
49	18.703	12.75716	0.47088
50	18.113	12.47032	0.48191
51	17.527	12.17919	0.49311
52	16.947	11.88408	0.50446
53	16.372	11.58531	0.51595
54	15.804	11.28325	0.52757
55	15.243	10.99789	0.53931
56	14.689	10.66982	0.55116
57	14.143	10.35931	0.56310
58	13.603	10.04630	0.57514
59	13.072	9.73131	0.58726
60	12.549	9.41474	0.59943
61	12.029	9.09765	0.61163
62	11.532	8.78052	0.62382
63	11.039	8.46412	0.63600
64	10.557	8.14888	0.64812
65	10.088	7.83552	0.66017
66	9.630	7.52476	0.67212
67	9.185	7.21699	0.68396
68	8.753	6.91298	0.69565
69	8.333	6.61301	0.70719
70	7.926	6.31716	0.71857
71	7.532	6.02612	0.72976
72	7.151	5.74003	0.74077
73	6.782	5.45928	0.75157
74	6.425	5.18402	0.76215
75	6.081	4.91463	0.77251
76	5.749	4.65125	0.78264
77	5.428	4.39383	0.79254
78	5.119	4.14286	0.80220
79	4.823	3.89858	0.81159
80	4.537	3.66071	0.82074
81	4.262	3.42900	0.82965
82	3.995	3.20258	0.83836
83	3.737	2.98024	0.84691
84	3.484	2.76106	0.85534
85	3.236	2.54366	0.86371
86	2.992	2.32795	0.87200
87	2.752	2.11384	0.88024
88	2.517	1.90115	0.88842
89	2.286	1.69107	0.89650
90	2.062	1.48540	0.90441
91	1.845	1.28432	0.91214
92	1.637	1.09024	0.91961
93	1.442	0.90647	0.92667
94	1.263	0.73687	0.93320
95	1.103	0.58435	0.93906
96	0.975	0.46182	0.94378
97	0.877	0.36698	0.94742
98	0.746	0.24038	0.95229
99	0.500	0.00000	0.96154

EXAMPLE 1.

A person dying bequeaths to his nephew, aged forty years, an annuity of one thousand dollars during life. What is the present value of the annuity?

Reference to the foregoing table shows that the present value of one dollar a year, payable at the end of each year during the life of a person aged forty years, is fifteen dollars nine cents two mills and ninety-five one hundredths of a mill ($15.09295); therefore, the present value of one thousand dollars is one thousand times as much, or fifteen thousand and ninety-two dollars and ninety-five cents, the amount upon which tax accrues.

EXAMPLE 2.

A person dying bequeaths to his daughter, aged thirty-five years, a life interest in personal property amounting to fifty thousand dollars ($50,000), the estate to revert absolutely at her death to other parties. Required the present value, at the date of death of the testator, of the life interest of the daughter in the estate; also, required at the same date, the present value of the reversionary interest of said other parties in the estate.

At a net interest of four per cent per annum, the assumed rate, the estate of $50,000 will realize an income or annuity of $2,000 per annum. The present value of the sum of $1, payable at the end of each year during the life of a person aged thirty-five years, is found by the table to be $16.14437, and the present value of an annuity of $2,000 for the same time would be two thousand times as much, or $32,288.74, the amount upon which tax accrues.

The reversion or present value of $1, due at the end of the year of death of a person aged thirty-five years, is found by the table to be $0.34060, and such value of $50,000 would be fifty thousand times as much, or $17,030, the amount upon which tax accrues.

The first column shows the age of the person under consideration.

The second column shows the corresponding "mean redemption period" and represents the time in years in which the present values of annuities and reversions certain will become equal, respectively, to the present value of annuities and reversions contingent on the duration of life.

The "mean redemption period" is a mean between the last payment of the annuity and the payment of the reversion, averaging six months later than the former payment and six months earlier than the latter payment.

The third column shows the present value of an annuity for life of one dollar per annum, the last payment being made at the end of the year prior to the one in which death occurs.

The fourth column shows the present worth of one dollar payable at the end of the year in which death occurs.

Present value of annuities and reversions certain upon a 4 per cent basis.

Number of years.	Present worth of an annuity of one dollar, payable at the end of each year, for a certain number of years.	Present worth of one dollar, payable at the end of a certain number of years.
	Annuity.	*Reversion.*
1	$0.96154	$0.961538
2	1.88609	0.924556
3	2.77509	0.888996
4	3.62989	0.854804
5	4.45182	0.821927
6	5.24214	0.790314
7	6.00205	0.759918
8	6.73274	0.730690
9	7.43533	0.702587
10	8.11089	0.675564
11	8.76047	0.649581
12	9.38507	0.624597
13	9.98565	0.600574
14	10.56312	0.577475
15	11.11839	0.555265
16	11.65229	0.533908
17	12.16567	0.513373
18	12.65929	0.493628
19	13.13394	0.474642
20	13.59032	0.456387
21	14.02916	0.438834
22	14.45111	0.421955
23	14.85684	0.405726
24	15.24696	0.390121
25	15.62208	0.375117
26	15.98277	0.360689
27	16.32958	0.346816
28	16.66306	0.333477
29	16.98371	0.320651
30	17.29203	0.308319

EXAMPLE.

A man dies leaving personal property to the amount of $50,000. His daughter to have the income from it for 20 years, it then to revert to his youngest son. What is the present worth of these legacies?

The income from $50,000 would be $2,000 per annum, assuming money at 4 per cent.

The present worth of an annuity of $2,000 for 20 years will be 2,000 times an annuity of $1 for 20 years. In the table opposite 20 we find the value of an annuity of $1 to be $13.59032, therefore the present worth of an annuity of $2,000 will be $27,180.64.

A reversion of $1 at the end of 20 years is shown by the table to be $0.456387, and a reversion of $50,000 will be 50,000 times as much, or $22,819.35.

NOTE.—The above tables are based on the "actuaries' or combined experience table," money being worth 4 per cent per annum, and have been prepared under the direction of Mr. J. S. McCoy, Government actuary.

INSTRUCTIONS RELATIVE TO THE RETURN, ASSESSMENT, AND COLLECTION OF LEGACY TAXES IMPOSED BY THE WAR-REVENUE LAW OF JUNE 13, 1898.

Upon the death of any person possessing at the time of death personal property the whole amount of which, remaining after deduction of legal debts for distribution to legatees and distributees, exceeds in actual

value the sum of $10,000, such personal property will be regarded as having passed to the administrators, executors, or trustees, and these officers will proceed to ascertain as soon as possible the whole amount of the decedent's personal property to be distributed to any person or persons, or to any body or bodies, politic or corporate, in trust or otherwise.

The appraised value of the whole personal property of the decedent at the time of death should be first ascertained and stated in the return on Form 419, revised. The clear value of each legacy will be stated in the proper column and the total of this column will equal the amount given as the appraised value of the personal estate. If, however, this total is less than the amount of the appraised value of the personal estate, the items which make up the difference should be furnished on a separate sheet of paper. If the difference is the amount of legal debts, an itemized statement should accompany the return. If the difference is caused by the return being a list of the partial distribution of the legacies, the fact and the reason why a partial return is made should be so noted on Form 419, revised, and on the collector's schedule, Form 421.

The administrator, executor, or trustee will then ascertain the rate of tax to be paid to the United States upon each legacy and distributive share; the tax on each legacy and share, and the total tax on all such legacies and shares, and shall make return in duplicate on Form 419, revised, which shall be delivered to the collector of internal revenue of the district in which the decedent resided at the time of death.

The collector will enter the amount of tax to be assessed on the monthly list, Form 23, and will forward the list in duplicate to this office with one of the returns on Form 419, revised, and with his schedule on Form 421.

The Commissioner will determine and assess the tax and return the list to the collector in the ordinary manner, and on its receipt the collector will serve notice, Form No. 455, on the administrator, executor, or trustee. The tax is to be paid as required by said notice, otherwise it will be the duty of the collector to collect the tax with a penalty of 5 per cent and 1 per cent per month interest, as required by law.

The law does not apply to estates now in process of settlement, where the decedent died before June 13, 1898.

GENERAL INSTRUCTIONS, INCLUDING TREASURY DECISIONS WHICH ARE NUMBERED.

In all cases where legacy taxes are due, the executors, administrators, or trustee should be immediately notified to make return on Form No. 419, revised.

These returns should be made to the collector in duplicate. One copy should be filed in the office of the collector, and the other should be transmitted to this office.

While the provisions of the law, requiring the payment of the tax before distribution of the legacy, would be complied with if the tax were paid immediately before distribution, the tax may be paid as soon as the administrator, executor, or trustee ascertains the amount to be distributed. In such a case, if it should be afterwards found that the clear value of the legacy exceeds that returned on Form 419, revised, additional tax will be assessed and collected; but, if the amount of tax paid is in excess of the amount due, the matter may be adjusted by a refunding claim on Form 46.

Upon payment of the tax the collector or deputy collector will give a receipt or receipts for the same in duplicate. This receipt may be given on Form No. 1.

If the party whose duty it is to make a legacy return neglects or refuses to do so, the collector should make a statement of tax due on Form No. 419, revised, and send it to this office.

If the collector finds it necessary, in order to obtain the facts respecting liability to legacy taxes where the records are insufficient, he can make examinations under section 3172, Revised Statutes, and may exercise the authority vested in him by section 3173, Revised Statutes, and also by section 3163, as amended by section 1 of the act of August 15, 1876, to summon the executors, administrators, or other persons he may deem proper, to appear and testify under oath.

TREASURY DECISIONS RELATIVE TO LEGACY TAX.

No. 19561. This tax is made a lien upon the property of the deceased for twenty years, or until the same shall within that period be paid. It is required that the tax shall be satisfied before the legatee is paid.

No. 20188. The fact that certain distributive shares arising from the personal property of an estate are represented by bonds of the United States does not constitute ground for holding such shares to be exempt from tax on legacies and distributive shares under the internal-revenue laws. (24 Int. Rev. Rec., 33.)

No. 20237. A legacy tax is to be collected on the fractional parts of $100.

No. 20368. How taxes are computed on life interests. Tax on a leasehold for twenty years.

No. 20388. The "whole amount" of the personal property to be divided and not the separate legacies determine the rate of tax to be paid. Rate of legacy tax on a legacy to a legally adopted child, depends on the relationship of such a person under the laws of the State in which the deceased died.

No. 20392. Internal-revenue laws do not exempt heirlooms from legacy tax. A legacy conditioned on legatee marrying is subject to tax, and the payment of such tax before distribution is imperative.

No. 20415. Instructions to collectors and internal-revenue agents relative to obtaining information that legacy taxes are due. Record of probate courts, wills, etc., should be examined.

No. 20421. The value of an income payable to a person for life is to be determined by approved tables. (See approved tables, pp. 6, 7, 8, 9.) Legacies to charitable institutions are not exempt from tax.

No. 20438. The rate of legacy tax is determined by the whole amount of personal property to be distributed to the legatees.

No. 20442. Legacy tax accrues on an estate when the testator died on or after June 13, 1898. Legacies in the nature of a life beneficiary interest and remaindermen's interest are both taxable.

No. 20444. Where property is held by trustees under a deed of trust executed prior to June 13, 1898, by a person dying on or after said date, and by the terms of the trust the beneficiaries could not become entitled to the possession or enjoyment of their distributive shares until after the grantor's death, taxes are required to be paid on these distributive shares under section 29, act of June 13, 1898.

No. 20445. Beneficial interests held in trust by trustees are subject to tax even though their taxable value can not be determined in all cases until a certain contingency arises, such as the termination of a life interest.

No. 20461. The tax on legacies should be deducted from the individual legacies but is a lien upon the entire property of the decedent.

No. 20545. Opinion of the Attorney-General construing section 29 of the act of June 13, 1898.

No. 20448. This is circular No. 517, revised, and is published on page 9 of these regulations under the heading of "Instructions relative to the return, assessment, and collection of legacy taxes imposed by the war-revenue law of June 13, 1898."

No. 20587. The whole amount of personal property left for distribution after payment of legal debts and expenses determines the rate of tax imposed on legacies and distributive shares, without regard to the amount or value of each legacy share.

No. 20589. If the legal debts and expenses allowed by the court reduce the whole amount of personal property of an estate so that the whole amount of personal property left for distribution does not exceed $10,000, no tax accrues..

No. 20591. Income from personal estate invested in United States bonds by executor under provisions of the will remaining in the hands of the executor is not subject to tax, but legacies, etc., represented by said bonds are subject to tax before distribution.—Schedule or list of the personal property should be prepared and returned by the executor or administrator at an early date after decedent's death.—When legacies are subject to tax.—When legacy tax accrues.—When payable.—Widow's share exempt.

No. 20596. Legacies paid out of the proceeds of real estate, directed to be sold for that purpose, are not subject to the tax upon legacies arising from personal property.—In case the debts and claims against the estate exceed the appraised or clear value of the personal property, there can be no legacy tax; a return should be made by the executor, etc. (see Circular 517, revised).—On executor's refusal or failure to make return, see sections 30 and 31 of the act of June 13, 1898, and section 3172, Revised Statutes.—Where estates consist of both real and personal property, the whole amount of the personal property should be appraised separately from the real property.

No. 20608. Legacy to a daughter-in-law is subject to tax under paragraph 5, section 29, act of June 13, 1898.

For full and exact information the aforesaid decisions should be consulted.

N. B. SCOTT, *Commissioner.*

Approved:

L. J. GAGE,
Secretary of the Treasury.

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22447/4

Series 7, No. 4—Revised. and Suppl. no. 1

UNITED STATES INTERNAL REVENUE.

REGULATIONS AND INSTRUCTIONS

RELATING TO THE

TRANSPORTATION AND EXPORTATION

OF

DISTILLED SPIRITS IN BOND

WITHOUT

PAYMENT OF TAX,

UNDER

THE INTERNAL-REVENUE LAWS.

OCTOBER 27, 1885.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1885.

TREASURY DEPARTMENT,
Document No. 732.
Internal Revenue.

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(Series 7, No. 4—Revised.)

REGULATIONS AND INSTRUCTIONS

CONCERNING THE

TRANSPORTATION AND EXPORTATION OF DISTILLED SPIRITS IN BOND WITHOUT PAYMENT OF TAX UNDER THE INTERNAL-REVENUE LAWS.

TREASURY DEPARTMENT,

OFFICE OF INTERNAL REVENUE,

Washington, October 27, 1885.

ART. 1. "Distilled spirits may be withdrawn from distillery bonded warehouses, at the instance of the owner of the spirits, for exportation in the original casks, or packages, without the payment of tax, under such regulations, and after making such entries and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury: *Provided*, That bonds given under this section shall be canceled under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the bonds required to be given for the exportation of distilled spirits shall be canceled upon the presentation of satisfactory proof and certificates that said distilled spirits have been landed at the port of destination named in the bill of lading, or upon satisfactory proof that after shipment the same were lost at sea without fault or neglect of the owner or shipper thereof.

Distilled spirits may be removed for exportation by owner.

Entries, bonds, and bills of lading to be filed.

Bonds to be cancelled upon proof of landing or of loss at sea.

"All distilled spirits intended for export, as aforesaid, before being removed from the distillery warehouse, shall be marked as the Commissioner of Internal Revenue may prescribe, and shall have affixed to each cask an engraved stamp indicative of such intention, to be provided and furnished by the several collectors as in the case of other stamps, and to be charged to them and accounted for in the same manner, and for the expense attending the providing and affixing such stamps *ten* cents for each package so stamped shall be paid to the collector on making the entry for such transportation. When the owner of the spirits shall have made the proper entries, filed the bonds, and otherwise complied with all the requirements of the law and regulations as herein provided, the collector shall issue to him a permit for the removal and transportation of said spirits to the collector of the port from which the

Export stamps to be affixed to packages.

Collector to issue permit for removal and transportation of spirits.

same are to be exported, accurately describing the spirits to be shipped, the amount of tax thereon, the State and district from which the same is to be shipped, the name of the distiller by whom distilled, the port to which the same are to be transported, the name of the collector of the port to whom the spirits are to be consigned, and the routes over which they are to be sent to the port of shipment. Such shipment shall be made over bonded routes whenever practicable. The collector of the port shall receive such spirits, and permit the exportation thereof, under the same rules and regulations as are prescribed for the exportation of spirits upon which the tax has been paid. * *

Spirits to be shipped over bonded routes when practicable.

"Every person who intentionally relands within the jurisdiction of the United States any distilled spirits which have been shipped for exportation under the provisions of this act, or who receives such relanded distilled spirits, and every person who aids or abets in such relanding or receiving of such spirits, shall be fined not exceeding five thousand dollars, and imprisoned not more than three years; and all distilled spirits so relanded, together with the vessel from which the same were relanded within the jurisdiction of the United States, and all boats, vehicles, horses, or other animals used in relanding and removing such distilled spirits, shall be forfeited to the United States."

Penalty for relanding spirits within the jurisdiction of the U. S.

[Section 3330 of the Revised Statutes, as amended by section 2 of the act of June 9, 1874, and by section 11 of the act of May 28, 1880.]

ART. 2. "That whenever the owner or owners of distilled spirits shall desire to withdraw the same from any distillery bonded warehouse for exportation under existing law, such owner or owners may at their option, in lieu of executing an export bond as now provided by law, give a transportation bond with sureties satisfactory to the collector of internal revenue, and under such rules and regulations as the Secretary of the Treasury may prescribe, conditioned for the due delivery thereof on board ship at a port of exportation to be named therein, and for the due performance on the part of the exporter or owner at the port of export of all the requirements in regard to notice of export, entry, and the giving of bond hereinafter specified; and in such case, on arrival of the spirits at the port of export, the exporter or owner at that port shall immediately notify the collector of the port of the fact, setting forth his intention to export the same, and the name of the vessel upon which the same are to be laden, and the port to which they are intended to be exported. He shall, after the quantity of spirits has been determined by the gauger and inspector, file with the collector of the port an export-entry verified by his oath or affirmation. He shall also give bond to the United States, with at least two sureties, satisfactory to the collector of customs, conditioned that the principal named in said bond will export the spirits as specified in said entry to the port designated in said entry, or to some other port without the jurisdiction of the United States.

On withdrawal of spirits for exportation, transportation bond may be taken in lieu of through export bond.

Notice to collector of customs.

Export entry.

Export bond.

"And upon the lading of such spirits, the collector of the port, after proper bonds for the exportation of the same have been completed by the exporter or owner at the port of shipment thereof, shall transmit to the collector of internal revenue of the district from which the said spirits were withdrawn for exportation, a clearance certificate and a detailed report of the gauger, which report shall show the capacity of each cask in wine-gallons, and the contents thereof in wine-gallons, proof-gallons, and taxable gallons. Upon receipt of the certificate and report, and upon payment of tax on deficiency, if any, the collector of internal revenue shall cancel the transportation bond. The bond required to be given for the landing at a foreign port of distilled spirits shall be canceled upon the presentation of satisfactory proof and certificates that said distilled spirits have been landed at the port of destination named in the bill of lading or any other port without the jurisdiction of the United States or upon satisfactory proof that after shipment the same were lost at sea without fault or neglect of the owner or shipper thereof; and whenever a distiller of spirits in bond shall desire to change the packages in which the same is contained, in order to export them, the Commissioner of Internal Revenue shall be authorized, under regulations to be prescribed by him, and upon the execution of proper bonds with sufficient sureties, to permit the withdrawal of so much spirits from bond and in new packages as the distiller shall desire to export as aforesaid."

Clearance certificate and gauger's report.

Cancellation of transportation bond.

Cancellation of export bond.

Change of packages in warehouse.

[Section 1 of the act entitled "An act to facilitate the exportation of distilled spirits, and amendatory of the acts in relation thereto," approved June 9, 1874, as amended by section 10 of the act of March 1, 1879.]

NOTE.—While the foregoing provisions of law specially empower the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to regulate the exportation of spirits by vessel, cases have arisen where exportation by water carriage was wholly impracticable, the spirits in such cases having been exported to countries adjacent to the United States and to points where the exporter was obliged to depend entirely on rail communication. The statute, however, provides for the cancellation of the export bond "upon presentation of satisfactory proof and certificates that the said distilled spirits have been landed at a port of destination named in the bill of lading," and provision is accordingly made in the following regulations to secure the best evidence of landing where the spirits are exported by *rail*.

ART. 3. When the owner of distilled spirits desires to remove the same from a distillery warehouse for exportation under either of the foregoing provisions of law, he will file with the collector of the district in which the warehouse is located the following notice, in triplicate:

Owner of spirits to file notice of intention to export.

No. 1. Form A or AA, Series 7, No. 4.

(FORM NO. 206.)

U. S. INTERNAL REVENUE.

Notice and Declaration of Intention to Export.

———, 188—.

——— ———, Esq.,
Collector —— *District* ———

SIR: The undersigned, owner– of ——— packages of* ———, the serial numbers of which are ———, deposited in distillery bonded warehouse No. ——, of ———, desire– to withdraw the same under† ——— for export to ———, without any purpose, after landing said spirits, of shipping them back to this country, request– that such spirits be regauged.

——— ———.

Sworn to before me this ———
day of ———, 188—.
——— ———. [SEAL.]

*Here describe the spirits as known to the trade.
†Section 3330 R. S., or act of June 9, 1874, as the case may be.

Collector to issue order for inspection and gauge of spirits.

ART. 4. Upon the receipt of such notice, in triplicate, the collector will at once append to each copy the following order to the gauger:

No. 2.

(FORM NO. 206.)

Collector's Order to Gauger.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District* ———, ———, 188—.

SIR: You will proceed to distillery warehouse No. ——, of ———, at ———, and there inspect and gauge according to law and regulations the spirits which ——— desire– to withdraw for exportation in bond under *———. You will mark upon each package so regauged the number of wine gallons and proof gallons therein contained; and you will make report of your gauging on the certificate below, and sign and deliver the same to the applicant–.

——— ———,
Collector.

To ——— ———,
Gauger.

*Section 3330 R. S., or act of June 9, 1874, as the case may be.

Return of inspection, &c., to be made by gauger.

ART. 5. Upon the receipt of the foregoing order, the gauger will at once proceed to the warehouse therein designated, and there carefully and thoroughly inspect each package, ascertaining the actual wantage, proof, and contents, without reference to the marks on the casks.

The return of the gauger will be in the form following, and will be indorsed on each copy of the order for inspection as required in Article 4:

No. 3.

(FORM NO. 206.)

Report of Gauger.

I hereby certify that, pursuant to the above order, the following-described spirits, produced and deposited in distillery warehouse No. ——, by ———, on the —— day of ———, 188—, have been inspected and gauged by me this —— day of ———, 188—, and contents and loss and found to be as follows, viz:

Contents when deposited in warehouse.								Contents when application for withdrawal is made.			
No. of packages.	Marks.	Serial numbers of packages.	Serial numbers, warehouse stamps.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.
	Total withdrawn for export.....			000	000 00	000	000 00				
	Actually lost			000	000 00	000	000 00			000	000 00
	Loss allowed			000	000 00	000	000 00	000	000 00		
	Deficiency paid...			000	000 00	000	000 00	000	000 00		
Total.											

To ——— ———, ——— ———,
Collector. *United States Gauger.*

NOTE.—If any portion of the spirits have already been regauged upon a notice and request of the owner, the report of such regauge will be adopted by the gauger, unless a regauge is advisable, to ascertain losses in addition to those ascertained under the first request. The tax must be paid upon such additional losses, as none can be allowed under section 17, act May 28, 1880, beyond those allowable under the regauge made pursuant to the first notice and request.

Detailed statement on Form 59 to be appended to gauger's report.

A detailed statement, in triplicate, on Form 59, will be prepared by the gauger, one of which he will deliver to the collector, one he will mail to the Commissioner of Internal Revenue "for review," and the other he will append to one copy of the foregoing report, which report, together with order for inspection, will be delivered to the party making application for withdrawal.

When the spirits are withdrawn, the gauger will deliver a report to the storekeeper on Form 205, to be transmitted with Form 86 to the Commissioner of Internal Revenue.

Entry for withdrawal to be executed by exporter.

ART. 6. Upon receipt of the gauger's report of inspection, &c. ,the exporter will indorse upon each copy thereof the following entry for withdrawal:

No. 4.

(FORM NO. 206.)

Entry for Withdrawal for ——— Exportation.*

—— District, State of ———.

———, 188—.

SIR: —— desire to withdraw from warehouse, for exportation in bond, the spirits described in the foregoing report and certificate of gauger; they are to be transported by† ——— to ———, and consigned to ——— ———, esq., collector of customs at that port, for exportation to ———, by the‡ ———.

——— ———.

To ——— ———, Esq.,
Collector.

*Here insert the word "direct" if under section 3330, R. S., and the words "transportation for" if under the act of June 9, 1874.

†Here state the entire route over which the spirits pass from the distillery warehouse to the port of export.

‡Here state the name of foreign-bound vessel, if known.

Spirits to be shipped over bonded routes.

Whenever practicable, these shipments must be made over bonded routes.

Expense of providing and affixing export stamps to be borne by exporter.

ART. 7. At the time of filing the foregoing entry with the collector, the applicant will pay to the collector, for the expense of providing and affixing export stamps, the sum of ten cents for each package to be stamped, as required by law.

Tax to be paid on excessive leakage.

ART. 8. The applicant will, also, at the time of filing the entry for withdrawal, pay the tax on any deficiency ascertained to be due under the provisions of section 17 of the act of May 28, 1880. (See pages 21, 22, 23, and foot-note on page 26 of Regs., Series 7, No. 7, Supl. No. 4.)

[For method of reporting deficiencies on collector's bonded account, see page 37 of Regs., Series 7, No. 2.]

Exporter to give bond.

ART. 9. Upon receipt of the entry for withdrawal, and upon payment of the tax on the deficiency, the collector will require the exporter to execute a bond, in duplicate, with satisfactory sureties, one copy of which will be immediately forwarded to the Commissioner of Internal Revenue, together with a copy of the gauger's return and the entry for withdrawal.

ART. 10. If the spirits are to be withdrawn for direct exportation, under the provisions of section 3330, (Art. 1,) the bond will be as follows:

FORM B.

Through export bond.

Know all men by these presents, that we, ——— ———, as principal–, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the just and full sum of ——— dollars; for the payment of which sum we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Sealed with our seals, and dated at ———, this —— day of ———, 188—.

Whereas the above-bounden ——— ———, principal–, ha— made request to ——— ———, esq., collector of the —— district of the State of ———, for the transportation of the following-described spirits to the port of ———, for exportation to ———, viz:

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

by ———, [here insert a description of the routes to be taken, as specified in the entry,] from distillery warehouse No. ——, owned by ——— ———, at ———, in the ——— district of the State aforesaid:

Now, therefore, the condition of this obligation is such, that if the whole of the aforesaid merchandise shall be safely delivered to the collector of customs at the said port of ——— within thirty days from the date hereof, and if the said ——— ———, principal–, shall export, or cause to be exported, the said merchandise in accordance with the internal-revenue laws and the regulations of the Treasury Department made in pursuance thereof, immediately on the arrival of said merchandise at said port of ———, and shall, within fifteen days thereafter, produce to the collector of internal revenue for the —— district of the State of ——— the certificate of the collector of customs of the said port of ———, showing that the said merchandise has been duly exported, and shall also produce within* ——— months thereafter his certificate that the said merchandise has been duly landed at the port of ———, or at some other port without the jurisdiction of the United States, or shall

produce satisfactory proof of the loss thereof at sea without fault or neglect of the owner or shipper thereof, as required by law and regulations, then this obligation to be void; otherwise, to be and remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Sealed and delivered in the presence of—

——— ———.
——— ———.

* For instructions as to time allowed for the presentation of proof of landing abroad, see Art. 36, and for extension of time see Art. 37.

[For certificate of collector of customs as to clearance, see Arts. 39 and 40, and as to landing abroad, see Art. 43.]

Transportation bond.

ART. 11. If the spirits are to be withdrawn for *transportation* for export, under the act of June 9, 1874, (Art. 2,) the bond prescribed in the preceding article will be lettered "BB," and the conditions thereof will be modified as follows:

Now, therefore, the condition of this obligation is such, *that if the aforesaid distilled spirits shall be* **duly delivered** *on board ship [or cars where the transportation is to be made by rail] at the port of* ———, *in accordance with the internal-revenue laws and the regulations of the Treasury Department made in pursuance thereof, immediately on the arrival of the said spirits at said port of* ———, *and within thirty days from the date hereof,* **and** *if, within fifteen days from the date of such delivery on board ship, [or car, as the case may be,]* **the clearance certificate of the collector of customs** of the port of ———, *setting forth that* on the arrival of the spirits at said port the exporter or owner immediately notified said collector of the fact, setting forth his intention to export the same, and the name of the vessel [or car] upon which the same were to be laden, and the port to which they were intended to be exported, *that* he filed with said collector an export entry verified by oath, and *that* he gave bond to the United States, with at least two sureties satisfactory to said collector, conditioned that the principal named in said bond would export the spirits as specified in the said entry to the port designated in the said entry, or to some other port without the jurisdiction of the United States, **and the detailed report of the gauger** in such cases by law provided and required,—shall **be received** by the collector of internal revenue for the —— district of the State of ———, as specified in the act of June 9, 1874, then, upon payment of tax on the deficiency, if any, as specified in said act, as modified by the act of December 20, 1879, this obligation shall be void; otherwise, to be and remain in full force and virtue.

Qualification of sureties on export and transportation bonds.

ART. 12. In deciding as to the responsibility and sufficiency of sureties, the collector will exercise great care, and should in all cases require the sureties to first justify on Form

33. Collectors are advised that sureties should not be accepted simply because they justify on Form 33. The principal object of that form is to obtain statements which the collector can and should investigate, in all cases, in order to determine the truth or falsity of the same. It is suggested that the transportation companies which contract to deliver spirits to the collector of customs, and to the exporter's consignee at the foreign port, may become sureties on bonds, Form B or Form BB, provided such companies satisfy the collector and the Commissioner of Internal Revenue that they possess corporate power to become such sureties, and provided such security is satisfactory to the collector. In case such a transportation company is the sole surety on a bond, the fact of such sole suretyship should be stated in the body of the bond. After a surety has once qualified on Form 33, he may, in signing as surety bonds subsequently given, execute the following affidavit, to be appended to the bond, in lieu of said form:

STATE OF ———,
County of ———, } *ss:*

——— ———, one of the sureties in the within bond, being duly sworn, says he is a resident of ———, in the State of ———; that he still owns the personal property and real estate described in his affidavit on Form 33, dated ———, A. D. 18—, which has been deposited in the collector's office of the —— District of ———, and a duplicate forwarded to the Office of Internal Revenue, at Washington, D. C., and is worth ——— dollars over and above all debts, dues, demands, liabilities, and incumbrances whatever against him, besides property exempt by law from execution.

——— ———.

Sworn to before me this ——— }
day of ———, 188—. }
——— ———, [SEAL.]

ART. 13. The bond, Form B or BB, must in all cases be executed in accordance with instructions below, and must bear the approval of the collector accepting the same, under his official seal.

Bonds to be approved by collector accepting same.

In preparing the bond, three affidavits, in the form given in Art. 12, should be printed on the back thereof, leaving room at one end of the sheet for the indorsement, which will include instructions as to the preparation and execution of the bond and the blank form of the collector's approval, as follows:

Instructions as to preparation and execution of bonds.

"TRANSPORTATION," [or "EXPORT," as the case may be,] BOND.

Of _____

_____, 188—.

_____ Dist., _____

The following instructions must be particularly observed and complied with, viz:

1st. The christian names must be written in the body of the bond in full, and so signed to the bond, and the execution of the bond must be duly acknowledged by each of the signers before the collector or deputy collector, or an officer authorized to take the acknowledgment of deeds. When a bond is signed by an officer of a corporation, the seal of the corporation must be affixed, and evidence of the authority of the officer to sign and to affix the seal filed with the collector and Commissioner of Internal Revenue.

2d. The residence of each signer must be stated in the bond.

3d. A seal of wax or wafer must be attached to each signature.

4th. Each signature must be made in the presence of two witnesses, who must sign their names as such.

5th. The bond must be dated, and there must be at least two sureties, except where transportation companies are accepted as sole sureties.

6th. The sufficiency of the sureties should be shown by affidavits made on Form 33.

7th. The penal sum named in the bond must not be less than double the amount of the tax on the spirits.

8th. The bond must include only such spirits as are actually ascertained by the regauge for exportation.

The within bond is approved by me, the same being executed in due form, and the sureties thereon being satisfactory to me.

——— ———, *Collector.*

—— day of ———, 188—.

ART. 14. Collectors will in all cases decline to approve transportation or exportation bonds covering distilled spirits after the expiration of the three years named in the warehousing bond; and they will list and report monthly, on Form 23, for assessment, all spirits which have remained in warehouse more than three years from the date of the warehousing bonds, except such as are covered by transportation or exportation bonds filed with and duly approved by them prior to the date of the preparation of the lists and of the conditions of which bonds there has been no breach.

They will also report spirits for assessment which have remained in distillery warehouse more than three years from the date of the warehousing bond, although covered by transportation or exportation bonds, in case the spirits are not withdrawn from the warehouse within the time named in the bond for the delivery of the spirits at the port from which they are to be exported.

Application for extension of time named in bond.

ART. 15. If, however, the principal to the bond is unable, from good cause, to furnish the required proof of the delivery of the spirits at a port of export within the time specified in his bond, an extension of time, not exceeding one-half the period named in the bond, may be applied for to the Commissioner of Internal Revenue, accompanied by the consent of the sureties to the bond to such extension; such application and consent to be approved by the collector, who will certify whether the bond is good and sufficient, and as to whether any loss will probably occur by granting such extension.

Consent of sureties to bond required.

Application to be sworn to, and consent of sureties to be under seal.

The extension asked for must be for a specified time, not exceeding that above stated, and the application therefor must set forth the date of the actual withdrawal of spirits from the warehouse, and the reasons why the condition of the bond as to the presentation of proof has not been complied with, and must be sworn to; and the accompanying consent of the sureties to the bond must be executed under seal, and duly acknowledged.

Permit for withdrawal of spirits for exportation to be issued by collector.

ART. 16. Upon acceptance of the bond by the collector, and after payment for the proper export stamps by the exporter, as required by Art. 7, the collector will indorse upon each copy of the order for inspection, Form A or AA, and under his official seal, the following permit for the delivery of the spirits for exportation:

No. 5.

(FORM NO. 206.)

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District of the State of* ———, ———, 188—.

SIR: The tax on ——— gallons of the deficiency of ——— gallons ascertained under section 17 of the act of May 28, 1880, as shown by the accompanying report of ——— ———, gauger, having been paid to me, and a good and sufficient bond, dated ———, 188—, having been executed under the provisions of* ——— and filed in this offices covering the spirits described in the foregoing gauger', certificate, the tax upon which amounts to $———, to be

shipped from this district to the port of ——— over the route specified in the above entry, you are hereby directed to deliver said spirits to ——— ——— for exportation.

Gauger ——— ——— will affix the proper stamps and brands in your presence.

[SEAL.] ——— ———, *Collector.*

To ——— ———, *Storekeeper.*

*Section 3330, R. S., or act of June 9, 1874, as the case may be.

Casks to be marked, branded, and stamped before removal from warehouse.

ART. 17. Before removal of the spirits from the warehouse, the gauger will at once affix the export stamps to the packages, and he will cut with a die, or burn upon each cask, the name of the distiller, the district, the date of withdrawal, the number of proof gallons then ascertained, the number of the export stamp, and name of the port from which the spirits are to be exported.

This brand may be abridged in the following manner:

John Smith & Co.,
Distillers,
6th Dist., O.
Withd'n Jan. 10th, 1873, P. G. 44,
Ex. Stamp 385.
To New York for Export.

The letters and figures, branded or cut as above specified, are to be in no case less than half an inch in length.

Storekeeper to deliver spirits.

ART. 18. After the spirits have been properly gauged, stamped, and branded, the storekeeper will deliver the same to the party named in the collector's order, provided the party named exhibits the collector's permits to the storekeeper, and takes the spirits within thirty days of the date of the bond named in the permit.

Bills of lading to be filed with collector of district.

ART. 19. Upon receiving the spirits from the storekeeper, the distiller must immediately deliver to the collector three bills of lading, which must in every case be through bills of lading, and bind each railroad or other transportation company, and the owner or proprietor of each vessel, or other conveyance, transporting said spirits while in their custody and being transported by them from the place of shipment to the port of entry.

The bill of lading will be substantially as follows:

FORM C.

Bill of Lading.

Bill of lading.

OFFICE OF ———, ———, ———, 188—.

Received from ——— ———, of ———, State of ———, the following-described spirits, in good order, consigned as

marked and numbered in the margin, to be transported in bond for [here give the name of the principal to the bond] over the line of this —— to ——, and delivered in like good order to ——— ———, collector of customs at the port of ———, State of ———, or his successor in office, and under his direction to be placed on board the ——— and exported to the port of ———, or to some other port without the jurisdiction of the United States, or to be placed in a bonded warehouse, should the vessel not be prepared to receive the merchandise, the said [here insert name of the principal to the bond] paying freight and all charges on the said merchandise; and the rate of freight for the transportation of said packages from the place of shipment to ——— shall not exceed —— per ———.

In witness whereof the agent of the said ——— company hath affirmed to three bills of lading, all of this tenor and date, one of which being accomplished, the others to stand void.

[Here describe the spirits as specified in the entry for withdrawal.]

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Numbers of export stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

——— ———, *Freight Agent.*

For shipments under the act of June 9, 1874, the bill of lading will be marked "C. C.," and the name of the exporting-vessel, as also the name of the foreign port, may be omitted.

ART. 20. The owner of spirits to be exported must in all cases make arrangements for shipment, rate and payment of freight, and the like details, with the transportation company, owner, or proprietor of the vessel or other conveyance; and the parties may be allowed to specify in the bill of lading the conditions of their agreement in respect to those matters, *but nothing must be incorporated therein which will in any manner impair the obligation of the owner and transportation companies to forward and deliver such goods to the designated collector of customs at the port of entry;* and the owner shall take all necessary measures to insure the safe delivery of the spirits to the said officer and on board of the foreign-bound vessel or car.

Obligation to deliver spirits to collector of customs not to be impaired by terms of bill of lading.

Bills of lading, entries, &c., to be forwarded to Commissioner of Internal Revenue and collector of customs.

ART. 21. Upon receipt of the bills of lading, the collector will immediately forward one copy thereof to the Commissioner of Internal Revenue, together with a copy of the entry, order, report, and permit, Form "A" or "AA," as the case may be. as also the duplicate of the bond, Form "B" or "BB," with affidavits of sureties on Form 33 when not indorsed on the bond. He will also promptly forward to the collector of customs to whom the spirits are consigned a complete set of papers as above, except the duplicate of the bond, with affidavits of sureties; and he will retain a complete set of papers on file in his office.

Collector of customs to be notified of arrival of spirits.

ART. 22. Upon arrival of the spirits at the port of entry, the owner or exporter will forthwith notify the collector of customs. in order that the lighterage and drayage of the spirits may be done under his surveillance, that the spirits may be at once inspected and laden on board the foreign-bound vessel; and that they may be constantly watched by customs officers, from the moment they are delivered from the bonded cars until they leave the port on the foreign-bound vessel.

Spirits to be placed in bonded warehouse in certain cases.

ART. 23. If, on arrival of the spirits at the port of entry, the vessel from any cause be not prepared to receive the same, they shall be delivered by the transportation company, under the direction and supervision of the collector of customs. into bonded warehouses or stores provided for the reception of such goods, to be kept in the same manner as provided by law for that class of merchandise, at the risk and expense of the owner, which expense shall be a charge on the goods. In case, however, the goods are allowed to remain in such warehouse for a period of fifteen days. the collector of customs will report the fact to the Commissioner of Internal Revenue.

Division of consignments prohibited except in certain cases.

ART. 24. As it is presumed that the full quantity of spirits withdrawn from warehouse for exportation and consigned to the collector of customs under one bond will be exported in one lot, no division of a consignment at the port of export will be allowed, except in extraordinary cases where a strict enforcement of the regulations on this point would, in the opinion of the collector of customs, occasion loss or great hardship to the exporter. But in such cases the collector will not, under any circumstances, allow a consignment to be divided into more than two lots.

Collector of customs to issue order for inspection and gauge of spirits.

ART. 25. Upon receipt of the notice of arrival of spirits at the port for exportation, or at the frontier port, the collector of customs will immediately cause the spirits to be inspected, gauged, and laden for export; and in case of exportation by rail the spirits will, if necessary to the thorough performance of this work, be taken out of the car, and, after inspection and gauging, be immediately reloaded in the presence of the inspector and the gauger.

The orders for inspection, gauge, &c., will be in the form following:

Order for Inspecting, Gauging, Branding, &c., of Spirits Exported without Payment of Internal-Revenue Tax.

No. ——.

PORT OF ———, ———, 188—.

SIR: You will examine and ascertain the marks, numbers, and proper description of the merchandise specified in the annexed original application and notice of shipment of ———, (here state the kind of spirits as known to the trade.) and if found to agree therewith, you will distinctly mark or brand each cask as follows: "FOR EXPORT FROM U. S. A.;" and you will also mark or brand on each cask in like manner, in addition to the brand above described, the name of the port from and of that to which the same is intended to be exported, with the date of shipment, as follows:

———, ———, 188—.
From port of ————,
To port of ————.

You will also inspect and gauge, alongside of or on the vessel or car named in the annexed application, each cask, and make return thereof in detail, specifying the kind of spirits as known to the trade, the name of the distiller or exporter, the whole number of casks, the serial numbers thereon, the number of gauge or wine gallons, the degree of proof of the contents of each cask, and number of proof gallons and taxable gallons. You will then cut out that portion of each export stamp upon which is shown the serial number of the stamp, the date of issue, the name of the collector issuing the same, the number of the cask, the contents in proof gallons, and the name of the internal-revenue gauger. You will also stamp or stencil across the face of each warehouse stamp the words: "FOR EXPORT," and you will thoroughly obliterate and destroy the remaining portion of the export stamp affixed to each cask, and make a detailed report as to the stamps so marked and the stamps so destroyed, giving their serial numbers; also, as to whether the shipment has been made in your presence on board the vessel or car named in said notice and application. Your return will be in *triplicate*, one to be attached to the

annexed original notice, one to be attached to the duplicate notice now in the hands of the inspector, and the other, with the pieces of export stamps cut out by you, to be immediately delivered to me to be forwarded to the Commissioner of Internal Revenue.

The inspection and gauging here ordered will be performed with such hydrometers and gauging instruments and under such rules and regulations as are prescribed by the Commissioner of Internal Revenue, to secure a uniform and correct system of inspecting, weighing, marking, and gauging of spirits subject to internal-revenue tax.

——— ———,
Collector of Customs.

To ——— ———,
Customs Gauger.

Order for Examination and Shipment by Customs Inspector.

PORT OF ———, ———, 188—.

SIR: You will carefully examine the casks described in the annexed duplicate notice of shipment, and, if found to agree in all respects therewith, you will superintend the lading thereof on board the ———, whereof ——— ——— is master or conductor, for ———, and make certificate whether the said cask were shipped under your supervision on board of said vessel or car, whether the same were stamped and marked, and whether the export stamps thereon have been obliterated. Your certificate will be in triplicate, to be indorsed respectively on the gauger's original, duplicate, and triplicate returns.

——— ———,
Collector.

To ——— ———,
Inspector of Customs.

Report of gauger to be in triplicate.

ART. 26. After having performed the duties in accordance with instructions contained in the order of the collector prescribed in the preceding articles, and after the spirits have been duly laden on board the exporting-vessel or car, the gauger will make the following report, in triplicate:

FORM IV.

Customs-Gauger's Certificate.

PORT OF ———, ———, 188—.

I hereby certify that, in pursuance of order No.——, the spirits described in the notice of shipment annexed thereto, each cask of which spirits was distilled and entered into distillery warehouse by ——— ———, between the —— day of ———, 188—, and the —— day of ———, 188—, were, on

the —— day of ———, 188—, on board of [or alongside of, as the case may be] the vessel or car hereinafter named, gauged by me, and found to be as follows, viz:

Number of packages.	Marks and serial numbers of packages.	Dates and numbers of warehouse stamps.	Numbers of export stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

And I further certify that the difference between the quantity, as shown by the marks and stamps on the casks, and the quantity, as shown by my inspection, is ——— wine-gallons, ——— proof gallons, and ——— taxable gallons; that the packages found deficient have been specially examined by me, and the following facts (believed to be of value in determining whether or not the deficiency was occasioned by leakage or loss by unavoidable accident and without fraud or negligence) noted, viz: _____

_____

And I further certify that I have stamped or stencilled across the face of each warehouse stamp the words "FOR EXPORT;" and that I have entirely obliterated and destroyed all the internal-revenue export stamps affixed to the packages, except such portion of the export stamps as have been cut out and affixed by me to the accompanying triplicate detailed report on internal-revenue Form 59, which is to be forwarded to the Commissioner of Internal Revenue. And I further certify that, upon examination, having found the marks, numbers, and descriptions specified in the original notice of shipment and application of ——— ——— to agree with those found on the casks, I branded each cask as required in said order No. ——; and that the spirits gauged by me were shipped in my presence immediately * ——— they were gauged by me under the supervision of Inspector ——— ———, on board the ———, whereof ——— ——— is master or conductor; *and I further certify that the spirits above described were gauged with the instruments and under the rules and regulations prescribed by the Commissioner of Internal Revenue.*

———, ———,
United States Customs Gauger.

To ——— ———,
Collector of Customs.

* "Before" or "after," as the case may be.

Proof, wantage, &c., may be ascertained by customs gauger without removing bung.

ART. 27. To avoid the necessity of removing the bung, the exporter, or his agent, may cause to be bored in each barrel, on the line or zone of its greatest circumference, a hole of half an inch in diameter, for the use of the gauger in ascertaining the bung diameter, "proof," and "wantage," after which the exporter, or his agent, shall securely close the same in the presence of the gauger.

In thus ascertaining the bung diameter and wantage, the customs gauger will use a slender rod prepared for the purpose. He will obtain this rod, on application made through the collector of customs, from the collector of internal revenue in charge of exports; and such collectors will be furnished with these rods upon application to the Commissioner of Internal Revenue.

ART. 28. The return of inspection required in Article 25 will be in duplicate, and in the form following:

FORM V.

Inspector's Certificate.

PORT OF ———, ———, 188—.

I hereby certify that the casks mentioned and described in the within gauger's certificate and return have each and all been shipped, under my supervision, on board of the ———, whereof ——— ——— is master or conductor, for ———, except as follows, [here state short shipment, if any:]

———————————————————————————————

And I do also hereby certify that each of said casks had placed thereon an export stamp, with the name of the distiller, the district, the date of withdrawal, the number of proof gallons, and the number of the stamp, cut or branded upon each cask at the time of such shipment; that all export stamps thereon were obliterated in my presence; and that, as required by section 3329, each package was distinctly marked or branded by the gauger "FOR EXPORT, U. S. A."

Or, [as the case may be, according to the facts,] that the said casks, or certain of them, [specifying same,] were without stamps affixed thereto, and were without the name of the distiller, the district, and the number of proof gallons being cut or burned upon each cask.

——— ———,
Inspector of Customs.

SUPERVISION OF SPIRITS WHEN LADEN ON BOARD OF VESSEL.

Spirits to be under supervision of customs office until departure of vessel.

ART. 29. It will be the duty of the collector and surveyor of customs to take all necessary precautions to prevent the spirits laden on board the vessel for export from being relanded before the vessel leaves the port of shipment. Such

spirits should be placed under hatch and seal, and kept under supervision by the proper officer of customs. When separated by bulkheads from any accessible part of the vessel, care should be taken that the bulkheads are perfectly secure.

Gauger to direct inspector to take spirits into custody.

When an order for gauging and lading of spirits is delivered to the gauger, he is required to direct one of the inspectors assigned to duty under his direction to proceed to the wharf where the spirits are to be delivered alongside of the export vessel, and take the merchandise, as it arrives, into his custody.

Spirits on bonded lighter.

ART. 30. If the spirits come on a bonded lighter, the inspector is directed not to allow them to be landed on the wharf until he has ascertained, by inquiry of the master of the export vessel, that they will be taken on board as soon as they are gauged, nor allow them to be landed on the wharf until the time appointed by the gauger to be present.

Spirits to remain in custody of inspector until placed on vessel and under hatches.

ART. 31. The inspector must remain in charge of the merchandise (supervising the lading) until all of it is actually taken on board of the vessel and has been stowed under the hatches. When the lading and stowage of a lot is done, if no other spirits are to be subsequently laden on the vessel, and the loading is to be made up of other merchandise, and is proceeded with, the inspector must remain in charge of the vessel until so much other cargo has been put on board and stowed as that the packages containing the spirits are not accessible, and cannot be relanded. If, after the lading and stowage of any lot of spirits, no other cargo is ready to be put on board, the inspector will direct the hatches of the vessel to be closed, and will seal them in the manner required by general regulations.

Instructions when vessel is loaded with spirits exclusively.

ART. 32. When the vessel is being loaded with spirits exclusively, the inspector assigned thereto will remain in charge until the loading is completed; and after each lot of spirits is laden and stowed, if the lading of the several lots is not continuous—and especially at sunset of each day—the inspector will have the hatches closed and sealed.

Spirits to be placed in custody of night-inspector if not laden before sunset.

When any portion of a lot of spirits is upon the wharf, alongside of the exporting vessel, or upon the lighter, and cannot, for any reason, be taken on the vessel before night, the inspector must send prompt notice to the barge office for a night-inspector, and the inspector will remain in charge until the night-inspector arrives and relieves him. The

night-inspector will remain in charge during the night, and will be relieved at sunrise by the inspector.

Hatches to be closed and sealed.

ART. 33. When the loading is completed, the hatches must be closed and sealed, and the inspector is directed to notify the master of the vessel not to remove the seals until the vessel has cleared and left the port; and it will be the duty of the inspector to examine the seals immediately before the vessel leaves the port, and report the result of such examination to the collector. In case the seals are found to have been tampered with, the collector will cause the spirits to be reinspected; and in case any portion of the spirits are found to have been relanded, he will immediately seize the vessel and spirits for forfeiture under the provisions of section 3330, R. S. (Art. 1.)

EXPORT ENTRY AND BOND TO BE GIVEN TO COLLECTOR OF CUSTOMS FOR SPIRITS EXPORTED BY VESSEL OR RAIL UNDER THE ACT OF JUNE 9, 1874.

Export entry and bond to be filed for spirits exported under act of June 9, 1874.

ART. 34. After the spirits have been duly gauged, inspected, and laden on board the export vessel, as required in Article 25, the collector will, in case the spirits are to be exported under the provisions of the act of June 9, 1874, require the exporter to execute the following export entry and bond:

Export entry.

Export Entry.

(Act of June 9, 1874.)

FORM DD.

Entry of distilled spirits received from ——— ———, of the —— collection district of the State of ———, under transportation bond dated ———, 188—, for immediate exportation to ———, on board the ———, whereof ——— ——— is master, or conductor, viz:

Number of packages and kind of spirits.	Marks* and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

I, ——— ———, do solemnly swear that the spirits described in the above entry are truly intended to be immedi-

ately exported to the port of ———, and are not intended to be relanded within the limits of the United States.

——— ———.

Sworn and subscribed to before me, this —— day of ———, 188—.

——— ———,

[SEAL.] *Collector of Customs, Port of* ———.

*If a shipping-mark is put upon the packages in addition to or differing from the marks by which the same were designated when withdrawn from warehouse, both the shipping-marks and the original marks and brands must be distinctly and separately stated in the export entry.

Export Bond. Export bond.

(Act of June 9, 1874.)

FORM EE.

Know all men by these presents, that we, ——— ———, of ———, and ——— ———, of ———, as principal–, and ——— ———, of ———, and ——— ———, of ———, as sureties, are held and firmly bound unto the United States of America in the just and full sum of ——— dollars; for the payment of which sum we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Sealed with our seals, and dated this —— day of ———, 188—.

Whereas the above-bounden ——— ———, and ——— ———, principal–, ha— filed with the collector of customs at the port of ——— an export entry for the exportation of the following-described spirits, viz:

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

Received at this port from ———, of the —— collection district of the State of ———, under transportation bond dated ———, 188—:

Now, therefore, the condition of this obligation is such, that if the said ——— ——— shall export the above-described spirits to the port of ———, or some other port without the jurisdiction of the United States, and if the same shall not be relanded within the limits of the United States, and if the certificate and proofs of the export and landing of said spirits required by the internal-revenue laws and the regulations of the Treasury Department made in pursuance thereof, are produced to the collector of cus-

toms at the port of ———, within —— months from the date hereof, or if there be produced satisfactory proof of the loss of said spirits at sea without fault or negligence on the part of the owner or shipper thereof, then this obligation to be void; otherwise, to be and remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Signed, sealed, and delivered in presence of—

——— ———.
——— ———.

Qualification of sureties.

ART. 35. The law requires that sureties to the bond prescribed in the preceding article shall be satisfactory to the collector of customs. To assist the collectors in arriving at the facts as to the responsibility of sureties in such cases, an affidavit (Form 33) has been provided. Collectors are not required to accept sureties because they justify on that form, nor are they limited in any way in the exercise of their judgment in regard to such sureties. As the matter is left entirely to the discretion of the collectors of customs, they will see the necessity of exercising the greatest care in relation thereto.

Time allowed for production of proof of landing.

ART. 36. The time named in the bond for the production of the landing certificate must not exceed sixty days if the exportation is to the Dominion of Canada, to any of the British North American provinces, or to any of the West India Islands, or to the Gulf, Atlantic, and frontier ports in Mexico, or to Atlantic ports in Central America, and to Atlantic ports north of the equator in South America. If to any place other than those above mentioned, not beyond the Cape of Good Hope, the time must not exceed nine months; and if beyond the Cape of Good Hope, it must not exceed eighteen months. It will be the duty of the collector to take particular care to ascertain the time ordinarily required for exportation to and return from any of the places to which exports may be made, fix the time that may be actually required, not exceeding the limits above prescribed, and fill the bond accordingly.

Extension of time for production of landing certificate.

ART. 37. On the application, under oath, of the principal for an extension of any bond conditioned for the production of a certificate of the landing of merchandise abroad, under regulations established by this Department, the collector of customs taking the bond may forbear to report it

for prosecution for a period after its maturity equal to one-half the time for which it was originally given, provided the sureties assent in writing and continue responsible, and that evidence be presented, under oath, showing that due effort has been made to satisfy its conditions. But in case an extension of the bond is granted, the collector will at once notify the Commissioner of Internal Revenue of the fact.

Exporter to file bills of lading with collector of customs in certain cases.

ART. 38. Unless a through bill of lading has been filed with and transmitted by the collector of internal revenue from whose district the spirits were withdrawn, (Art. 19,) the exporter will be required to file with the collector of customs a proper bill, duly signed by the master or agent of the exporting vessel, [or, in case of exportation by rail, by the agent of the transportation company,] covering the goods to the foreign port named in the bond "B" or "BB," as the case may be, and in such case the collector will note on his clearance certificate that a proper bill of lading has been filed in his office.

EVIDENCE OF CLEARANCE.

Collector of customs to issue certificate of clearance upon clearance of vessel.

ART. 39. Where the spirits are exported by vessel, the collector of customs will, after the vessel shall have cleared, at once issue a certificate of clearance, which certificate will be in duplicate, and in the form following:

FORM F, [OR FF.]

CLEARANCE CERTIFICATE.

Certificate of clearance.

(*Spirits Exported by Vessel.*)

CUSTOM-HOUSE, *Port of* ———, ———, 188—.

This is to certify that there was cleared from this port by ——— ———, on board the ———, whereof ——— ——— is master, on the ——— day of ———, 188—, the following-described spirits produced by ———, in the ——— district of ———, for exportation to ———, viz., [give in this blank the quantity reported by customs gauger,] and that the said spirits were duly entered on the outward manifest of said vessel:

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Numbers of export stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

That said merchandise was laden on board under the supervision of a proper officer.*

Witness my hand and seal the day and year above stated.

[SEAL.]

——— ———,

Collector of Customs.

*In case the spirits are exported under the act of June 9, 1874, the following will be here substituted:

That the above spirits were received at this port from the —— collection district of the State of ———, under transportation bond dated ———, 188—; that they were duly inspected and gauged at this port, and laden on board the vessel under supervision of a proper officer; that a proper notice and export entry has been filed with me and a good and sufficient export bond, dated ———, 188—, has been executed, conditioned that such spirits shall be landed at the port of ———, or some other port without the jurisdiction of the United States, and evidence of such landing produced within —— months from the date thereof.

ART. 40. In case the exportation is by rail, the collector will, after the railroad-car containing the spirits has passed from the frontier port into the foreign territory, at once issue a modified certificate of clearance, (Form F or FF,) to be disposed of with the gaugers' reports and pieces of export stamps as directed in Article 25. This certificate will be in duplicate and in the form following:

FORM F, [OR FF.]

CLEARANCE CERTIFICATE.

(*Spirits Exported by Rail.*)

CUSTOM-HOUSE, *Port of* ———, ———, 188—.

This is to certify that there were received by me at this port, on the —— day of ———, 188—, the following-described spirits produced by ——— ———, in the —— district of ———, for exportation to ———, viz., [give in the following table the quantity reported by customs gauger:]

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Number of warehouse stamps.	Numbers of export stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

*

I further certify that the said spirits were duly inspected and marked at this port and laden on board railroad-car number ——, of the ——— Railroad Company, and that said merchandise was duly entered on the manifest

of the said car, and that said car left this port for the [city or town] of ———, in ———, on the —— day of ———, 188—, and was transported into the adjacent foreign territory in strict conformity with the customs laws governing exportations to adjacent foreign territory.

Witness my hand and seal the date above stated.

[SEAL.]

——— ———,
Collector of Customs.

To ——— ———,
Commissioner [or Collector] of Internal Revenue,
———.

*In case the spirits are exported under the act of June 9, 1874, the following should be here inserted:

That the above spirits were received at this port from the —— internal-revenue collection district of the State of ———, under a transportion bond dated ———, 188—; that the proper notice and export entry have been filed with me, and a good and sufficient export bond, dated ———, 188—, has been executed, conditioned that such spirits shall be landed at the port of ———, or some other port without the jurisdiction of the United States, and that evidence of such landing shall be produced within —— days from the date thereof.

Certificate of clearance to be forwarded to Commissioner and collector of internal revenue.

ART. 41. Upon the clearance of the vessel or car upon which the spirits have been laden, the collector will at once forward one of the clearance certificates, together with the gauger's report, (Art. 26,) to which the pieces of the export stamps are affixed, to the Commissioner of Internal Revenue, and the duplicate certificate, together with the gauger's report, to the collector of internal revenue from whose district the spirits were originally shipped.

Export bond, Form B, to be credited with the amount cleared, &c.

ART. 42. Upon the receipt of the clearance certificate, the collector of internal revenue will, in case the spirits were exported under the provisions of section 3330, R. S., (Art. 1,) credit the bond, Form B, with the quantity of spirits actually cleared, (see Art. 71,) also with the quantity lost during transportation and allowed under the act of December 20, 1879, (see Arts. 65 to 73,) and also the quantity upon which the tax due has been paid. In case the shipment was made under the act of June 9, 1874, (Art. 2,) the collector will, if the full quantity of spirits shipped is accounted for in the manner above provided, cancel the transportation bond, Form BB.

Transportation bond to be cancelled upon receipt of clearance certificate, &c.

[For instructions as to method of reporting deficiencies in such cases, see p. 38 of Regulations, Series 7, No. 2, as amended by instructions on Form 94 A, revised.]

EVIDENCE OF LANDING FOR CANCELLATION OF BONDS.

Collector of customs to issue certificate of landing.

ART. 43. Upon the receipt of the required evidence of landing in a foreign country, or loss at sea, of the spirits shipped by vessel, (Arts. 74 to 82,) the collector of customs

will issue the following certificate, in duplicate—one copy of which will be forwarded to the Commissioner of Internal Revenue, and one copy to the collector of the district from which the spirits were shipped:

FORM G, [OR GG, WHEN THE BOND FORM EE IS TAKEN.]

Certificate of Landing.

CUSTOM-HOUSE, *Port of* ———, ———, 188—.

I hereby certify that a proper landing certificate has been received, and is now on file in this office, showing that the following-described spirits produced by ——— ———, in the —— district of ———, viz:

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Number of export stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

Certified to as having been cleared from this port on board the ———, whereof ——— ——— was master, on the —— day of ———, 188—, have been duly landed* abroad at the port of ———, as required by law and the Treasury regulations pertaining thereto.†

[SEAL.]

——— ———,
Collector of Customs.

*In case of loss at sea and acceptance of proofs by the Secretary of the Treasury, (see Arts. 80, 81, and 82,) the collector will modify the above certificate to meet the circumstances of the case.

†In shipments under the act of June 9, 1874, the following will be here added: "and as stipulated in the export bond of ———, dated ———, ———, 188—."

Export bond, Form EE, to be cancelled on proofs of landing or loss at sea.

ART. 44. Upon receipt of the evidence of the landing of the spirits named in the bond at a foreign port, or loss at sea, the collector of customs will cancel the export bond, (Form EE.)

Tax to be paid on deficiencies.

Should there be any deficiency between the amount named in the export bond and that named in the landing certificate, the tax must be collected on such deficiency before the bond is cancelled.

Bond to be placed in suit if conditions are not complied with.

ART. 45. The collector of customs will require the exporter to produce the proper evidence of landing of the spirits in a foreign country within the time specified in the bond or covered by the extension provided for in Article 37, and in case of failure to produce the proper evidence

within the stipulated time, the collector of customs will *immediately* place the export bond covering the spirits in the hands of the United States district attorney for suit, taking his receipt therefor in duplicate, and forward one copy to the Commissioner of Internal Revenue.

Application for relief where prescibed proof of clearance cannot be furnished.

ART. 46. In case the collector of customs cannot issue the clearance certificate or the landing certificate above required, application for relief may be made to the Secretary of the Treasury, through the collector of customs by whom the certificate of clearance or of landing, as the case may be, is required to be issued. The application should be under oath, and must recite the facts connected with the alleged exportation, and be forwarded by the collector of customs through the Commissioner of Internal Revenue, as in case of collateral evidence of landing required in Article 76.

The decision of the Secretary will be announced to the Commissioner of Internal Revenue, as well as to the collector of customs.

Export bond, Form B, to be cancelled on customs certificate of landing or loss at sea.

ART. 47. Upon receipt of the certificate or proofs of landing or of loss at sea, prescribed in Articles 74 to 82, the collector of internal revenue holding the export bond, Form B, will, if satisfactory evidence of clearance has been previously furnished and all deficiency reported properly accounted for—*i. e.*, tax paid, or abated under the act of December 20, 1879—cancel said bond by drawing red lines through the signatures, and by writing in red ink across the face of the bond the following, viz:

Cancelled this —— day of ———, 188—.

	No. of gallons.
By allowance of leakage under act of December 20, 1879	
By clearance and landing certificate of collector of customs	
By poof of loss at sea	
By payment of tax on deficiency	
Total	

Mode of cancelling transportation bond, Form BB.

ART. 48. In case of exportation by *vessel*, the transportation bond, Form BB, will be cancelled in the same manner as the bond, Form B, is cancelled. The itemized statement

written across the face of the bond will, however, be changed to suit the case.

ART. 49. In case of exportation by *rail*, the collector of internal revenue will, upon receipt of the certificate of landing, Form GG, as prescribed in Article 43, note the facts of clearance and landing on the bond, Form BB, and transmit the same, with all the papers in the case, including the certificates, Forms FF and GG, to the Commissioner of Internal Revenue as a voucher for a credit in his bonded account, Form 94*a*.

Bonds, when cancelled, to be forwarded to Commissioner of Internal Revenue.

ART. 50. Bonds, when cancelled, will in no case be given up to the signers, but must be forwarded to the Commissioner of Internal Revenue, with Form 94*a* and the evidence upon which the bonds were cancelled.

Extension of time on export bond, Form B.

ART. 51. In case of unavoidable delay on the part of the exporter in furnishing the proofs of landing abroad within the time specified in the bond, Form B, the collector may extend the time for the production of such proofs, as provided in cases of bonds taken by collectors of customs, (see Art. 37,) and when an extension is so granted, the collector will at once notify the Commissioner of Internal Revenue of the fact by letter.

Forfeited bonds to be placed in suit.

ART. 52. In case of failure to comply with the conditions of the bond, Form B or BB, the collector must *immediately* forward the bond to the United States district attorney for the proper district for suit, and notice of the breach of the obligation of any such bond shall be forthwith forwarded by the collector of the district to the Commissioner of Internal Revenue.

[As to method of reporting on collector's bonded distilled spirits account, spirits bonded for export under the provisions of section 3330, R. S., or the act of June 9, 1874, see instructions printed on Form 94*a*.]

MISCELLANEOUS PROVISIONS.

CHANGE OF PACKAGES IN WAREHOUSE.

Spirits intended for exportation may be withdrawn in new packages.

ART. 53. Section 1 of an internal-revenue act approved June 9, 1874, as amended by section 10 of the act of March 1, 1879, provides that "whenever a distiller of spirits in bond shall desire to change the packages in which the same is contained, in order to export them, the Commissioner of Internal Revenue shall be authorized, under regulations to be prescribed by him, and upon the execution of proper

bonds with sufficient sureties, to permit the withdrawal of so much spirits from bond and in new packages as the distiller shall desire to export as aforesaid."

Written request for change of packages to be made to commissioner.

ART. 54. Whenever a distiller of spirits in bond shall desire to change the packages containing the same, in order to export them, he will forward, through the collector of the district in which his warehouse is situated, a written request to the Commissioner of Internal Revenue for permission to make the desired change, setting forth in his request the reasons which induce him to apply for permission to make the change.

Application to be forwarded by collector.

ART. 55. The application will be forwarded to the Commissioner by the collector, with his report as to the facts in the case, and with his recommendation as to the propriety of granting the request.

Spirits, when refilled from two or more packages, to be of same age and proof.

If the Commissioner is satisfied that the desired change of packages should be permitted, he will issue, through the collector, a permit to the distiller to that effect. The permit may confer authority not only for the transfer of the contents of one package to a new package, but may also confer authority for the transfer of the contents, or portions of the contents, of two or more packages to one new package. No transfer, however, of the contents of two or more packages to a new package will be permitted, unless the contents of the old packages are of the same kind and quality, and were included in one entry for deposit into the distillery warehouse.

Permit, when issued, to be filed with notice to export.

ART. 56. The distiller will forward the permit to the collector at the time of filing the notice of intention to export, required by Article 3, and the collector will then issue the order provided by Article 4, modified by inserting, after the word "bond" therein, the words "in new packages."

Transfer of spirits to be made under supervision of a storekeeper and gauger.

ART. 57. The gauger will then carefully inspect each package, as directed in Article 5, and fill out his report as therein prescribed. He will also make a detailed report on Form 59, to be delivered to the collector; another report on that form, to be forwarded to the Commissioner "for review," and a report on Form 205, to be delivered to the storekeeper, to be transmitted to the Commissioner by him with his report on Form 86 when the spirits are withdrawn.

ART. 58. The change will then be made in the presence of the storekeeper and gauger, who will see that no min-

gling of spirits of different kinds or quality, or covered by different entries for deposit, is permitted, and who will require the distiller, in the filling, so to arrange the contents, in gallons and fractions of gallons, that the aggregate of taxable gallons in the new packages shall just equal the number thereof in the old packages, as shown by the regauge. The taxable gallons having been legally determined by the regauge of the old packages, a different quantity should not be indicated by the new packages.

New packages to be gauged, marked, and branded.

ART. 59. The gauger will then gauge, mark, and brand each of the new packages. He will legibly mark, in a durable manner, on the head of the cask, immediately under the bung-stave, his name, office, the district, the date of inspection, and the kind of spirits known to the trade, leaving a suitable space under his name and above his title for the export stamp. He will also cut the number of wine and proof gallons upon the bung-stave, and the number of proof gallons on the head of the package. There shall also be cut or burned on the head of the cask, at or before the time of the filling thereof, the name of the distiller, and district where such spirits were produced. The gauger will also cut on the head the words "From Cask," and the figures denoting the serial number of the cask from which the contents of the new cask were obtained, and, finally, the date of its original inspection.

Serial numbers of packages from which spirits are transferred to be placed on new package.

In case the new package is filled from two or more old packages, the serial numbers will be placed beneath the words "From Casks," and beneath each other in the order in which the old packages contributed in quantity of spirits to the filling of the new package, so that the first serial number will be taken from the old package which furnished the largest quantity of spirits to the new package. The second number will represent the package contributing the second largest quantity of spirits, and so on.

Export stamp to be affixed to new package.

ART. 60. The gauger will affix the export stamp, as provided in Article 17, and cancel the same, and complete the brand required to be affixed by that article by the addition of words and figures indicating the date of withdrawal, serial number of export stamp, and the port to which the spirits are to be shipped for export—the name of the distiller, district, and contents having been affixed as above provided at the time of the filling of the package.

ART. 61. The marks, stamps, and brands will then be removed and obliterated from the old packages. If an old package is used for a new package, the old marks, stamps, and brands will be removed and obliterated, even when a portion of its original contents is allowed to remain, such retention being regarded as a constructive transfer of spirits from the old package to the new package.

Marks, stamps, and brands on old packages to be obliterated.

ART. 62. The gauger will add to his report, as prescribed in Article 5, the following:

Form of report of gauger.

And I further certify that the spirits described above as inspected and gauged by me on the —— day of ———, 188—, [here insert the date of regauge in the original packages,] were, in my presence, transferred to new packages, which packages were gauged by me on the —— day of ———, 188—, and found to be as follows:

Number of packages and kind of spirits.	Serial numbers of export stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

The report will be signed by the gauger and attested by the storekeeper. A detailed statement on Form 59 of this last gauge will also be appended to each copy of the report, and in the entry, (Art. 6,) in the bond, (Art. 10 or 11,) and in the bill of lading (Art. 19) the spirits will be described as in the gauger's report of the last gauge.

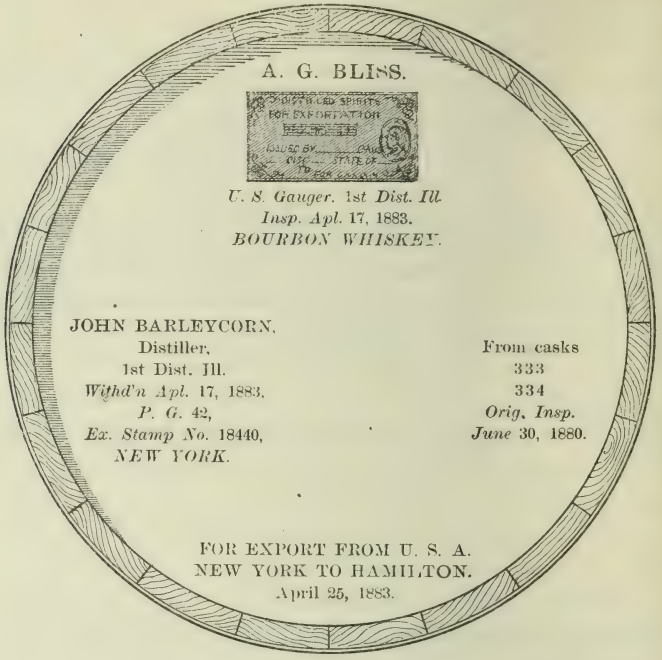
Report to be attested by storekeeper, and export entry bond, &c., to cover spirits as ascertained by regauge.

ART. 63. Upon arrival of the spirits at the port of entry, the spirits will be gauged as usual by a customs gauger upon the order of the collector of customs, and each package marked or branded "For export from U. S. A.," and also with the name of the port from and that to which the package is to be exported, and the date of shipment, as required by Art. 25.

Packages to be branded for export at port of entry.

ART. 64. All the marks and brands, including the export stamp, with their relative positions on the head of each new package, the letters or figures of which marks and brands

shall each be not less than half an inch in length, are indicated in the following diagram:



LOSS OF SPIRITS BY LEAKAGE OR CASUALTY DURING TRANSPORTATION FOR EXPORT.

Act Dec. 20, 1879.

ART. 65. By an act of Congress approved December 20, 1879, it is provided:

"That where spirits are withdrawn from distillery warehouses for exportation according to law, it shall be lawful, under such rules and regulations and limitations as shall be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, for an allowance to be made for leakage or loss by any unavoidable accident, and without any fraud or negligence of the distiller, owner, exporter, carrier, or their agents or employés, occurring during transportation from a distillery warehouse to the port of export; nor shall any assessment be collected for such loss or leakage where the same has not been paid on distilled spirits exported since the first day of May, eighteen hundred and seventy-eight.

"SEC. 2. That where the spirits provided for in the preceding section are covered by a valid claim of insurance in excess of the market value thereof, exclusive of the tax,

the tax upon such spirits shall not be remitted to the extent of such excessive insurance."*

ART. 66. To secure an allowance or remission of tax in such cases, evidence of the following character will be required:

Sworn statements as to loss, &c., to be filed by exporter.

The party upon whose bond the spirits were withdrawn from the distillery warehouse will furnish to the collector of the district in which that warehouse is located, a statement or statements, under oath, of persons cognizant of the facts—in which will be set forth the date of the bond under which the withdrawal and shipment were made; the number of packages withdrawn, their contents and serial numbers; the nature, and, if possible, the date and cause of the alleged loss; the quantity (specified in wine, in proof, and in taxable gallons) lost from each and every package; that the loss occurred by reason of leakage or unavoidable accident, and without any fraud or negligence of the distiller, owner, exporter, carrier, or of their agents or employés; and that no claim has been made or is contemplated against said parties, or any of them, on account of such loss.

ART. 67. The statements will also show the market value of the spirits per proof gallon, the amount and date of each and every policy of insurance, if any, covering the loss, and the name and location of the company by which each and every policy was issued, the name and address of the *bona fide* owner of the spirits, and that neither is he, nor, to the best of the affiant's knowledge, information, and belief, is any other person or party, indemnified against the payment of the tax sought to be remitted. All other material facts concerning the withdrawal and transportation of the spirits should also be set forth under oath.

ART. 68. The Commissioner may require such further evidence as the circumstances surrounding the case may seem to him to demand, and the claimant is advised, when preparing his claim, to furnish such additional evidence as may seem to him to be material to his case.

Collateral evidence.

ART. 69. If the evidence above specified cannot be fur-

* NOTE.—It will be observed that the provisions of the act here quoted extend only to losses occurring during *transportation for export*, and not to losses which have occurred in warehouse previous to the withdrawal for export, or to losses during the *transfer* of spirits to manufacturing warehouses under section 20 of the act of March 1, 1879. The last two cases are provided for by sections 15 and 17 of the act of May 28, 1880.

nished, the claimant may offer other in lieu thereof, which should be accompanied by a sworn statement of the reason why the evidence named in the regulations cannot be furnished.

Collector in certain cases to report tax for assessment.

ART. 70. The collector of internal revenue, upon the receipt of the customs gauger's certificate prescribed in Article 26, will at once notify the exporter of the deficiency reported, (stating in detail the packages, with their serial numbers, and the quantity lost from each,) and, unless within ten days after service of such notice the evidence prescribed in Articles 66, 67, and 68, or Article 69, is furnished by the exporter, or unless the tax upon the deficiency be paid, the collector will report such tax for assessment.

Collector to ascertain and report loss of spirits as shown by report of regauge at port of export.

ART. 71. In ascertaining the amount of deficiency and the quantity of spirits to be credited as cleared for export, a careful comparison should be made between the quantities contained in the packages as shown by the customs gauger's detailed report and the quantities found when the packages were withdrawn from the distillery warehouse; and collectors will note the discrepancies only when the quantity found by the customs gauger is LESS than that ascertained upon withdrawal from warehouse. The aggregate of such discrepancies is the quantity to be considered under the act of December 20, 1879, (Art. 65,) and the difference between this quantity and the quantity withdrawn will be regarded as the quantity cleared.

Claim to be approved by collector.

ART. 72. *Upon receipt of the evidence, the collector of internal revenue will indorse thereon his opinion as to the validity of the claim.* Unless otherwise directed, he will forward the claim for allowance independently of the "Monthly bonded distilled spirits account," on which the clearance of the spirits is reported. The claims are to be submitted by letter, scheduled on Form 171, and accompanied by Form 174, Form IV, and such affidavits as the claimant may submit. Unless otherwise directed by the Commissioner, the collector will not deduct on Form 94*a* any deficiency from the quantity withdrawn, until after the receipt of the Commissioner's letter allowing the claim.

[For instructions as to mode of reporting such deficiencies upon which the tax is paid, see p. 38 of Regulations, Series 7, No. 2, as amended by instructions on back of Form 94*a*.]

Claims for abatement of taxes assessed to be on Form 47.

ART. 73. Claims for the abatement of taxes assessed upon spirits so lost by leakage, or by unavoidable accident, during transportation for export from a distillery warehouse

to a port of export, should be presented on Form 47, and should be supported by evidence similar to that hereinbefore named. In the event of the allowance of such abatement claim, or of a claim submitted as provided in Article 72, the collector will be entitled to take credit on his bonded account for the amount thereof by forwarding a copy of the Commissioner's letter allowing the credit.

PROOFS OF LANDING IN A FOREIGN COUNTRY OR LOSS AT SEA OF DISTILLED SPIRITS.

ART. 74. For the cancellation of the export bond, Form B, (Art. 10,) or bond, Form EE, (Art. 34,) the following evidence will be required:

I.

Certificate of Consignee of Landing of Merchandise at Foreign Port.*

I, ——— ———, of the ——— of ———, merchant, do hereby certify that the goods or merchandise hereinafter described have been landed in this [city, town, or port] between the —— and —— days of ———, from on board the ——— of ———, whereof ——— ——— is at present master, viz: [Here describe the merchandise, giving the marks and numbers, kind of merchandise, gallons, (wine and proof,) or packages, upon which tax is imposed,] which, according to the bills of lading for the same, were shipped on board the ——— at the port of ———, in the United States of America, on or about the —— day of ———, 188—, and consigned to [me or to us] by ——— ———, of ———, aforesaid merchant, [or by the master of said ———.]

Treasury Regulations, 1874, Art. 706, Form No. 173. Department of State: Consular Instructions, 1874, ¶¶ 496–7, Forms Nos. 152, 154.

Given under my hand, at ———, this —— day of ———, 188—. ——— ———.

*When it does not otherwise appear who is the consignee to whom the merchandise is addressed, the party who, upon the bill of lading or other documents, seems to have full authority to receive the merchandise, and to make entry thereof at the custom-house, may be treated as the consignee, within the meaning of the regulation, entitled to certify to the landing of the merchandise. The columns for marks, numbers, gallons, serial number of stamps, &c., as the case may require, must correspond with those in the exporter's bond.

II.

Oath of Master and Mate of Exporting Vessel.

PORT OF ———, ———, 188—.

We, ——— ———, master, and ——— ———, mate of the ———, lately arrived from the port of ———, in the United States of America, do solemnly swear [or affirm]

Treasury Regulations, Art. 706, Form No. 174.

Department of State; Consular Instructions, ¶ 497, Forms Nos. 153 and 156.

that the goods or merchandise enumerated and described in the foregoing certificate, dated the —— day of ———, 188—, and signed by ——— ———, of the city of ———, merchant, were actually delivered at the said port on board the ——— within the time specified in the said certificate.

——— ———, *Master*.
——— ———, *———

Sworn [or affirmed] at the port of ———, before me, this —— day of ———, 188—.

——— ———. [SEAL.]

[In cases of exportation by *rail*, the foregoing will be modified to meet the circumstances of the case, and will be signed by the agent of the transportation company.]

* NOTE.—In all cases, the oath of the master, AND of the mate, purser, or other discharging officer must be obtained.

In case of failure to execute the foregoing at the port of delivery of he goods, the same may, upon the return of the vessel at the port of thipment, be subscribed and sworn to before the collector of the port.

III.

Certificate of Foreign Revenue Officer.

Treasury Regulations.

1877. Dep't No. 6. Int'l Revenue. (Int. Rev. Circular No. 160.)

PORT OF ———, ———, 188—.

I, ——— ———, do hereby certify that the goods [or merchandise] described in the foregoing declaration and below, imported into this country [or province] from ———, were landed at this port, duly entered at the custom-house at this port on the —— day of ———, 188—, and their value* ascertained to be ———, and that the duties imposed by the law in force in this [country or province] upon said goods have been paid, or secured to be paid:

Department Circular (1877) No. 46.

Department of State: Consular Instructions, ¶ 497, Form No. 155.

Circular No. 6, Aug. 22, 1876.

Circular No. 6, (amended Nov. 4, 1876.)

Circular No. 9, March 6, 1877.

Marks.	Numbers.	Description of goods.	Date when entered.

In witness whereof, I have hereunto set my hand and seal of office, this —— day of ———, 188—.

——— ———, [SEAL.]
Collector or Chief Revenue Officer.

* NOTE.—The value stated should be that of the goods in the foreign country to which they were exported. Such value need not be specified if the consignee chooses to pay the maximum fee for the consular authentication of the landing certificate.

IV.

Consular Verification of Consignee's Certificate.

Treasury Regulations, Art. 706, Form No. 175.

I, ——— ———, consul [or agent] of the United States of America, at the city of ———, do declare that the facts

set forth in the foregoing declaration, subscribed by ——— ———, of said port, and dated the —— day of ———, 188—, are, to my knowledge, true and correct, and deserving of full faith and credit; and I further certify that the signature thereto is in the handwriting of said ——— ———.

Department of State: Consular Instructions, ¶¶ 495–6–7. Forms Nos. 150, 157.

Circular No. 6, Aug. 22, 1876.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of my office, at ———, this —— day of ———, 188—.

——— ———, [SEAL.]
Consul.

V.

Verification by American or Foreign Merchants where there is no Consul.

Treasury Regulations, Art. 706, Form No. 176.

Department of State: Consular Instructions, ¶¶ 495–6–8. Forms Nos. 151, 158.

We, ——— ——— and ——— ———, merchants residing at the city of ———, do declare that the statements made in the preceding certificate, signed by ——— ———, of the said city, merchant, on the —— day of ———, 188—, are, to our knowledge, (or in our opinion,) correct and true, and worthy of full faith and credit.

We also declare that there is no [consul or other public agent of the United States of America, or American merchants, as the case may require] now residing at this place.

Given under our hands, at the ——— aforesaid, this —— day of ———, 188—.

——— ———.
——— ———.

Collectors authorized to accept informal certificates of foreign officers in certain cases.

ART. 75. Where the certificate of the foreign revenue officer, Form III, is in a foreign language, but complete in form and substance, and is accompanied by a sworn translation, or where the foreign officer's certificate of landing is substantially the same as that prescribed, even when the statement in regard to the payment of foreign duties is omitted, (provided such certificate, with the other proofs required, is regarded by the collector as ample proof of landing of the spirits in a foreign country,) collectors are authorized in such cases to accept such evidence of landing and to cancel the exporter's bond, without submitting the case to the Secretary of the Treasury. Where no certificate of a foreign revenue officer is furnished, collectors are authorized to accept as sufficient the other proofs required by the regulations; provided they have official information that the foreign port at which the spirits may have been landed is a *free port.*

COLLATERAL EVIDENCE AS TO LANDING.

Treasury Regulations, Arts. 802, 803, and 807.

ART. 76. In case of inability to produce the prescribed evidence of landing, except in cases provided for in the

preceding article, application for relief may be made to the Secretary of the Treasury, through the collector of customs with whom such evidence is, by regulation, required to be lodged, to be transmitted by such collector through the Commissioner of Internal Revenue, supported by such collateral evidence as the exporter may be able to submit, and in forwarding such evidence to the Department the collector of customs will indorse thereon his opinion as to its validity.

Application setting forth facts to be under oath.

ART. 77. The application, in such cases, must be under oath, and must recite the facts connected with the alleged exportation, setting forth the date of shipment, the kind, quantity, and value of the merchandise shipped, the name of the consignee, and the name of the vessel by and the port to which the shipment was made, and the date and amount of the bond (if one be filed) covering such shipment. The applicant will also state in what particular the regulations of the Department respecting the proofs of landing have not been complied with, and the cause of failure to produce such proofs; that such failure was not occasioned by any lack of diligence on his part, or that of his agents, and that he is unable to procure any other or better evidence than that submitted with his application.

Bills of lading, letters from consignees, &c., may be furnished as evidence.

ART. 78. The evidence submitted in such cases may embrace original bills of lading and verified original or verified copies of letters from consignees advising the shipper of the arrival or sale of the goods, with such other statements respecting the failure to furnish the prescribed evidence of landing as may be obtained from the consignees or any other person having knowledge thereof.

ART. 79. When any letters or other documents submitted are in a foreign language, they must be accompanied by sworn translations, and when the letters fail to sufficiently identify the goods, the original account-sales must be produced.

PROOFS OF LOSS AT SEA.

Treasury Regulations, Arts. 805–6.

ART. 80. When the exporter is unable to furnish any proof of landing in consequence of loss at sea, the application for relief should set forth the extent of the loss, and, if possible, the location and manner of shipwreck, or other

casualty at sea, and the time of its occurrence. The application in such cases will be transmitted to the Commissioner of Internal Revenue, and by him to the Secretary of the Treasury, and must be accompanied by the affidavits of two or more credible and disinterested persons as to the loss or destruction aforesaid. When the goods have been insured, the certificates of the insurance companies or board of underwriters that the insurance has been paid, and that, to the best of their knowledge and belief the goods were actually destroyed at sea, will be required; and, when obtainable, the oath of the master and mate of the vessel, detailing the manner and extent of the loss, and the time and location of the disaster.

Application and proof of loss to be transmitted through the Commissioner of Internal Revenue.

ART. 81. In forwarding applications in the cases above provided for, collectors will state any facts within their knowledge bearing upon the case presented, and will indorse upon the application their opinion as to the character of the proof offered, and as to the propriety of granting such application.

Collector to indorse on the application opinion as to character of proof, &c.

ART. 82. If, upon examination, the proof of exportation or loss at sea is established to the satisfaction of the Secretary of the Treasury, the papers in the case will be returned to the collector, with authority to accept the evidence furnished, and to cancel the exporter's bond.

Export bond to be cancelled on acceptance of proof.

TRANSFER OF SPIRITS FROM DISTILLERY WAREHOUSES TO MANUFACTURING WAREHOUSES.

ART. 83. Section 14 of the act of May 28, 1880, provides "that under such regulations and requirements as to stamps, bonds, and other security as shall be prescribed by the Commissioner of Internal Revenue, any manufacturer of medicines, preparations, compositions, perfumeries, cosmetics, cordials, and other liquors, for export, manufacturing the same in a duly constituted manufacturing warehouse, shall be authorized to withdraw, in original packages, from any distillery warehouse, so much distilled spirits as he may require for the said purpose, without the payment of the internal-revenue tax thereon."

Act May 28, 1880.

ART. 84. The manufacturing warehouses to which spirits may be transferred under authority conferred by section 14 are those established under section 3433, Revised Statutes.

Transfer of spirits to manufacturing warehouse, established under Sec. 3433, R. S.

ART. 85. When such manufacturer of perfumery, medicines, or preparations for export desires to remove spirits

Manufacturer to give notice.

from a distillery warehouse, he will give notice of his intention to the collector of the district in which such warehouse is situated.

Spirits to be gauged.

ART. 86. Upon receipt of such notice, the collector will issue to the gauger an order in triplicate to inspect and gauge the spirits, and to affix to each package an export stamp. It will be the duty of such gauger to gauge each package of spirits and make a report to the collector, and a detailed statement on Form 59.

Packages to be marked, branded, and stamped.

ART. 87. When withdrawn from the warehouse, the gauger will cut with a die, or burn upon each cask, the the name of the distiller, the district, the date of withdrawal, the number of proof gallons then ascertained, the number of the export stamp, and the name of the port to which the spirits are consigned for deposit in a manufacturing warehouse.

The brand may be abridged in the following manner:

John Smith & Co.,
Distillers,
6th Dist., O.
Withd'n Jan. 10, 1878. P. G. 44.
Ex. Stamp, 385.
To New York for deposit in M'f'g. W. H.

ART. 88. The order of the collector to the gauger and the report of the gauger will be in the following form, viz:

FORM I.

For Withdrawal of ——— for Manufacturing Purposes, under Section* 14, *Act of May* 28, 1880.

Form of collector's order to gauger.

OFFICE OF COLLECTOR OF INTERNAL REVEUE,
—— *District of* ———, ———, 18—.

SIR: You will proceed to the distillery warehouse of ——— ———, at ———, and there inspect and gauge, according to law and regulations, the *——— which ——— ——— desires to export in bond through a manufacturing warehouse, and you will make report of your gauging on the certificate hereunto appended, sign and deliver the same to the applicant.

——— ———,
Collector.

To ——— ———,
Gauger.

*Here state the kind of spirits.

Report of Gauger.

Report of gauger.

I hereby certify that the following-described * ———, viz., [give in this blank the contents as shown by the marks and and brands:]

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

produced and deposited in distillery warehouse No. ——, by ——— ———, on the —— day of ———, 18—, have been inspected and gauged by me this —— day of ———, 18—, and found to be as follows, viz:

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

And I further certify that the difference between the quantity as shown by the marks and stamps on the casks and the quantity as shown by my inspection, made in pursuance of your order of ———, 18—, is ——— wine, ——— proof, and ——— taxable gallons.

——— ———,
United States Gauger.

To ——— ———,
Collector.

*Here state the kind of spirits.

ART. 89. The manufacturer will indorse upon the gauger's report an entry of withdrawal for transfer to manufacturing warehouse, which will be in the following form:

Entry of Withdrawal for Transfer to Manufacturing Warehouse.

(Section 14, act of May 28, 1880.)

Form of manufacturer's entry of withdrawal.

—— DISTRICT, STATE OF ———,
———, ———, 18—.

The undersigned request that the hereinafter-described *———, now in distillery warehouse No. ——, owned by

——— ———, situated in ———, county of ———, State of ———, in the —— district of said State, may be transported therefrom by the mode of conveyance and routes hereinafter mentioned, consigned to ——— ———, collector of customs at the port of ———, to be by such collector of customs delivered into manufacturing warehouse No. ——, of ——— ———, situated at† ———, viz:

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

To be conveyed by ———.

——— ———.

To ——— ———, Esq.,
Collector.

*Here insert the kind of spirits.
†If in a city, give number and street.

In the blank space, after the words "to be conveyed by," the applicant must describe the *entire* route to be taken, stating, where transportation by land is intended, the name of the railroad or other transportation company to which the goods are first to be delivered; and where transportation by water is intended, the name or the company, and the name of the particular vessel or steamer to which the goods are to be delivered.

Manufacturer to pay for export stamps and to give bond in duplicate.

ART. 90. At the time of filing the foregoing entry with the collector, the applicant will pay to the collector the sum of ten cents for each package to be stamped, as required by law, and he will execute a transportation bond in duplicate, with at least two good and sufficient sureties, in a sum equal to double the amount of the tax on the spirits to be withdrawn, which bond will be in the following form, viz:

Transportation Bond.

Form of bond.

FORM II.

(Section 14, act of May 28, 1880.)

Know all men by these presents, that we, ——— ———, of ———, and ——— ———, of ———, as principal–, and ——— ———, of ———, and ——— ———, of ———, as sureties, are held and firmly bound unto the United States of America in the just and full sum of ——— dollars; for

the payment of which sum we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Sealed with our seals, and dated at ———, this —— day of ———, 18—.

Whereas the above-bounden ——— ———, principal, has made request to ——— ———, esq., collector of the —— district of the State of ———, for the transportation of the following-described spirits to the port of ———, for deposit in manufacturing warehouse No. ——, of ——— ———, viz:

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

by ———, (here insert a description of the routes to be taken, as specified in the entry,) from distillery warehouse No. ——, owned by ——— ———, at ———, in the —— district of the State aforesaid:

Now, therefore, the condition of this obligation is such, that if the aforesaid *——— shall be duly delivered at the manufacturing warehouse aforesaid, in accordance with the internal-revenue laws and the regulations of the Treasury Department made in pursuance thereof, immediately on the arrival of the said *——— at said port of ———, and within thirty days from the date hereof, and if within fifteen days from the date of such delivery into said manufacturing warehouse the certificate of the collector of customs of the port of ———, showing that the *——— has been received into said manufacturing warehouse and a bond taken by said collector, conditioned that the principal named in said bond shall, within one year from the time of the reception of such *——— into such manufacturing warehouse, manufacture and export the same as required by law, together with the detailed report of the customs gauger, in such cases by law provided and required, shall be received by the collector of internal revenue for the —— district of the State of ———, then this obligation shall be void; otherwise, to be and remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Signed, sealed, and delivered in presence of—

——— ———.
——— ———.

* Here insert the kind of spirits.

Sureties to qualify on Form 33.

ART. 91. Sureties will be required to justify on Form 33, and will state the value of their real estate and the amount of their liability as sureties on other bonds. In cases where parties are already liable as sureties to the full value of the real estate owned by them, collectors will refuse to accept them as sureties on new bonds until they are released from responsibility by the cancellation of the old bonds.

Collector to issue permit to withdraw, and bills of laden to be furnished.

ART. 92. Upon the execution of the transportation bond, the collector will append to the entry for withdrawal a permit to withdraw and transport the spirits, and the manufacturer will be required to obtain and deliver to the collector three bills of lading, which must be through bills of lading from the place of shipment to the collector of customs. On the arrival of the spirits at the port of entry, the manufacturer will forthwith report the fact to the collector of customs, who will immediately, as when notice is received by him from a person intending to export spirits in the original packages, detail an inspector to take charge of the spirits and supervise the delivery of the same into the manufacturing warehouse. He will also detail a gauger to inspect the spirits, to cut out a piece of each export stamp and destroy the remaining portions of export stamps, and all warehouse stamps affixed to the packages, and make report in triplicate, to be marked, respectively, "Original," "Duplicate," and "Triplicate."

Collector of customs to be notified of arrival of spirits.

Spirits to be regauged, &c.

Manufacturer to give bond to collector of customs with approved sureties.

ART. 93. Upon the reception of the spirits into the manufacturing warehouse, the collector of customs will require the manufacturer to execute and deliver to him the following bond, to be approved by him, and to be in a penal sum equal to double the amount of the tax on the spirits therein specified, and with at least two sureties satisfactory to the said collector of customs:

Manufacturer's Bond.

(Section 14, act of May 28, 1880.)

Form of bond.

FORM III.

Know all men by these presents, that we, ——— ———, of ———, and ——— ———, of ———, as principal—, and ——— ———, of ———, and ——— ———, of ———, as sureties, are held and firmly bound unto the United States of America in the full and just sum of ——— dollars; for the payment of which sum we bind ourselves, our heirs,

executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals this —— day of ———, 18—.

The condition of this obligation is such, that whereas, on the —— day of ———, 18—, the following-described *———, produced by ——— ———, in the —— collection district of ———, and deposited in distillery warehouse No. —— on the —— day of ———, 18—, was withdrawn from such warehouse under the provisions of section 14 of the act of May 28, 1880, to be deposited in the manufacturing warehouse No. —— of ——— ———, situated at ——— ———, and to be used in the manufacture of articles as specified in section thirty-four hundred and thirty-three of the Revised Statutes of the United States, intended for export, to wit:

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

Now, therefore, if the aforesaid *——— shall be used for the purpose above specified, and for no other purpose, and if the articles aforesaid manufactured therefrom shall be truly exported from the United States within one year from the date of the reception of such *——— into said manufacturing warehouse, to wit, ———, and if the said ——— ——— shall well and truly comply with all the requirements of the internal-revenue laws and the regulations of the Treasury Department in respect to the custody, use, and accounting for the said *———, or the articles manufactured therefrom as aforesaid, then this obligation shall be void; otherwise, to remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Signed, sealed, and delivered in the presence of—

——— ———.
——— ———.

*Here insert the kind of spirits.

ART. 94. As soon as the aforesaid bond has been executed and delivered, the collector of customs will issue a certificate in duplicate, in the form following, viz: Collector of customs to certify to receipt of spirits.

Certificate of Collector of Customs.

(Section 14, act of May 28, 1880.)

Form of certificate.

FORM IV.

Bond No. ——.

CUSTOM-HOUSE, PORT OF ——,
——, —, 18—.

This is to certify that the following-described *——, to wit:

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Numbers of export stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

received at this port from the —— collection district of ——, by the way of ——, on the —— day of ——, 18—, has been duly inspected and gauged, as shown by the accompanying report of United States Gauger —— ——, and deposited in the manufacturing warehouse No. ——, of —— ——, and that the bond prescribed by regulations has been executed and filed in this office.

[SEAL.] —— ——,
Collector of Customs.

*Here insert the kind of spirits.

Certificate, gauge reports, and export stamps, how disposed of.

ART. 95. One copy of the certificate, together with the original and duplicate reports of the customs gauger, will be transmitted to the collector of internal revenue of the district from which the spirits were withdrawn; and one copy, together with the triplicate report of the customs gauger, with the pieces of the stamps affixed, will be immediately transmitted to the Commissioner of Internal Revenue.

Kinds of spirits to be fully described in reports, entries, bonds, &c.

ART. 96. Whenever two or more kinds of spirits are withdrawn for transfer under one bond, the number of packages and quantity in wine, proof, and taxable gallons of each kind withdrawn will be entered in the tabular statements in the report of gauger, entry, bonds, and collector of customs' certificate, and the *specific kind* of spirits transferred will be described in the blank space reserved for that purpose on the several forms employed in the transaction.

SPIRITS LOST BY LEAKAGE, ETC., WHILE IN TRANSIT TO MANUFACTURING WAREHOUSES.

Act May 28, 1880, sec. 15.

ART. 97. Section 15 of the act of May 28, 1880, provides "that where spirits are withdrawn from distillery warehouses for transfer to manufacturing warehouses, under the provisions of this act, it shall be lawful, under such rules and regulations and limitations as shall be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, for an allowance to be made for leakage or loss by any unavoidable accident, and without any fraud or negligence of the distiller, owner, exporter, carrier, or their agents or employees, occurring during transportation from a distillery warehouse to a manufacturing warehouse.

Allowance on account of loss by leakage to be made under same regulations as apply to similiar losses in transportation for export.

ART. 98. The leakage or loss covered by the above provision of law is that which occurs in transportation, and is in other paticulars analogous to that covered by the act of December 20, 1879, (Art. 65.) The regulations (Arts. 66 to 73, inclusive) governing the allowance of leakage in transportation under the act of December 20, 1879, are there therefore made applicable to allowances claimed under the above provision of law.

SPIRITS ALLEGED TO BE PRODUCED IN THE UNITED STATES LANDED FROM ABROAD.

ART. 99. Section 2500 of the Revised Statutes provides that "upon the reimportation of articles once exported, of the growth, product, or manufacture of the United States, upon which no internal tax has been assessed or paid, or upon which such tax has been paid or refunded by allowance of drawback, there shall be levied, collected, and paid a duty equal to the tax imposed by the internal-revenue laws upon such articles."

Domestic spirits shipped to foreign country intended to be returned to the U. S., not an exportation under the law.

ART. 100. In the opinion of the Attorney-General—(Opinion rendered July 2, 1883)—the shipment of domestic spirits to a foreign country and their subsequent return to the United States do not constitute an exportation and reimportation within the contemplation of law, where the spirits were shipped abroad with the intention of being returned to this country.

ART. 101. In the treatment of spirits alleged to have been shipped to foreign countries under the provisions of

section 3330, R. S., (Art. 1,) or the act of June 9, 1874, (Art. 2,) and subsequently returned to the United States, the following rules will be observed in determining the legal status of such spirits and the amount of duty or tax to be levied and collected thereon.

1.

WHEN TO BE TREATED AS REIMPORTED SPIRITS UNDER SECTION 2500, R. S.

Spirits to be returned in distillers' original packages, with marks, brands, &c., intact.

ART. 102. When domestic spirits are returned in the distillers' original packages, and the marks, brands, and stamps on the packages when cleared for exportation are found to be intact, and the quantity of spirits contained in each of such packages upon regauge is found *not to exceed* the quantity contained therein at the time of clearance, collectors of customs will permit the entry of such spirits under section 2500, R. S., provided the circumstances attending the shipment abroad and return of the spirits are not such as to indicate that it was the intention of the parties interested in making the shipment to return the spirits to the United States. (See Art. 105.)

Duties equal to internal-revenue tax to be levied and collected on actual quantity reimported.

Spirits to be gauged and inspected under regulations of the Commissioner of Internal Revenue.

ART. 103. The duties to be levied and collected under section 2500, R. S., will equal the internal-revenue tax on the quantity and proof of the spirits as ascertained at the time of reimportation, and the inspection and gauging of such spirits will be performed with such hydrometers and gauging instruments and under such rules and regulations as are prescribed by the Commissioner of Internal Revenue to secure a uniform correct system of inspecting, marking, and gauging of spirits subject to internal-revenue tax, (28 Int. Rev. Record, 161.)

2.

WHEN TO BE TREATED AS FOREIGN SPIRITS.

When returned in packages other than original packages.

When marks, brands, or stamps are destroyed or defaced.

When quantity returned is found to exceed quantity exported.

ART. 104. When spirits claimed to be of domestic manufacture are found to be contained in packages *other* than the distiller's original packages, or when the marks, brands, and stamps on the packages containing the spirits have been removed or so defaced as to prevent the identification of the spirits as having been duly cleared from the United States, or where the quantity contained in the packages is found upon the regauge required in Article 103 to exceed the quantity actually cleared from the United States, as

shown by the gauger's detailed report required in Article 25, the spirits will be treated as dutiable under Schedule D, section 2504, R. S.

Imoprt duties to be collected on spirits not identified as domestic spirits.

3.

WHEN TO BE TREATED AS SPIRITS SUBJECT TO INTERNAL-REVENUE TAX.

Spirits returned to the United States when exported for that purpose not allowed to be entered under sec. 2500, R. S.

ART. 105. When spirits are returned in the original packages and are fully identified as domestic spirits previously cleared for export, collectors of customs will not permit the entry of such spirits under section 2500, R. S., if in their opinion the spirits were shipped for exportation with the intention of being returned to this country, but will at once report the case through the Commissioner of Internal Revenue to the Secretary of the Treasury for his decision thereon.

Cases to be reported to Secretary for his decision.

In reporting such cases to the Department, the collector will specify:

1. The number of packages returned, with their serial numbers.
2. The name of the distiller as shown by the packages.
3. The name of the alleged exporter of the spirits.
4. The date of clearance for exportation.
5. The port to which the spirits were cleared for export.
6. The quantity cleared, in wine, proof, and taxable gallons.
7. The contents of the packages as returned to the United States, as shown by regauge on landing from abroad.
8. The name of the port from which the spirits were returned; and,
9. The name of the party returning such spirits, together with such statements respecting the transaction as the parties in interest may have filed with the collector.

Collector to be notified of decision of the Secretary of the Treasury.

ART. 106. If upon the facts obtained the Department holds the exportation of the spirits to have been a *bona fide* one, the collector will upon notice thereof so advise the parties in interest and allow the entry of the spirits under section 2500, R. S. But if notified by the Department that the shipment of the spirits is not regarded as an exportation within contemplation of law, the collector will at once issue the following notice in duplicate to the collector of internal revenue of the district:

Spirits held to be subject to internal-revenue tax to be transferred to a collector of internal revenue.

Notice to collector of internal revenue.

CUSTOM-HOUSE, PORT OF ———,
———, 188—.

——— ———,
Collector of Internal Revenue.

SIR: You are hereby notified that the following-described spirits, produced by ——— ———, a distiller in the —— district of ———, which were withdrawn from ——— distillery warehouse under an entry for exportation, and under a [transportation or exportation] bond dated ———, 188—, and which were cleared from this port [or the port of ———, as the case may be] on the —— day of ———, 188—, have been returned to this port and will be delivered to you upon your receipting therefor—the shipment of such spirits and the return thereof to this country being held by the Secretary of the Treasury as not an exportation and reimportation within contemplation of law.

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Numbers of export stamps.	Name of claimant.

These spirits are in general-order warehouse No. ——, located at ———.

——— ———,
Collector of Customs.

In case the collector receiving the above notice is in doubt as to the district in which the spirits were produced, he should report the name of the distiller and serial numbers of the packages to the Commissioner of Internal Revenue, and the name and address of the collector of the proper district will be furnished him.

Collector to demand tax on returned spirits.

ART. 107. Upon the receipt of the foregoing notice, the collector of internal revenue will at once demand of the party returning the spirits, and on behalf of the distiller or owner, payment of tax on each package on the quantity ascertained by the regauge thereof made *upon withdrawal from distillery warehouse* as shown by the marks and brands on the package.

If tax is not paid, collector to report the case to Commissioner of Internal Revenue.

If the demand is not at once complied with, the collector will report the fact to the Commissioner of Internal Revenue for instructions.

Tax to be deposited to credit of collector of district where spirits were produced.

ART. 108. Upon the receipt of the tax due, the collector will then deposit the money in the nearest designated depository, to the credit of the Treasurer of the United States on behalf of the collector in whose district the spirits were

produced. He will then transmit the triplicate certificates of deposit to such collector, forwarding therewith a statement in which the name of the distiller, the number of each package, and the taxable contents of each, as determined by the marks thereon, are fully set forth. Upon receipt of the same, the collector in charge of the distillery warehouse will carefully compare the statements with his records and with the gauger's original report of the regauge for exportation on file in his office, and, if the proper tax is found to have been paid, he will issue a tax-paid stamp for each package, as in case the spirits had been originally withdrawn upon payment of the tax, excluding, however, the amount covered by excessive leakage, on which tax was paid to him when the spirits were bonded for export.

In case the amount deposited is insufficient to cover the tax due on the packages, notice thereof should at once be given the collector from whom the certificates of deposit were received, who will thereupon collect the deficiency from the party claiming ownership in the spirits, and deposit the same in the manner above stated.

Spirits to be regauged and tax-paid stamps to be affixed.

ART. 109. Upon receipt of the proper certificates of deposit, the collector will immediately transmit the stamps to the collector through whom he received the tax, who will detail a gauger to gauge the spirits and to affix such stamps. When the stamps are affixed, the gauger will write across the face of each the following words: "Affixed under provisions of Article 109, Series 7, No. 4, revised." And the gauger will at once furnish the collector with a detailed report of his gauge of the spirits, specifying wine, proof, and taxable gallons, such report, or a copy thereof, to be appended to the duplicate notice received from the collector of customs as provided in the following article.

Report of regauge to be made to collector of internal revenue.

Collector of internal revenue to receipt for spirits transferred by collector of customs.

ART. 110. After the spirits have been regauged and the proper tax-paid stamps affixed, the collector will return one of the duplicate notices, marked "Original," to the collector of customs, with his receipt appended thereto, in the following form:

Received of ——— ———, collector of the port of ———, the above-described spirits, delivered to me under the instructions contained in Article 106, Series 7, No. 4, revised. The actual aggregate contents of the above packages were found by a regauge, made under my direction, to be ——

wine gallons, —— proof gallons, as will appear in detail from the annexed report of the gauger.

———— ————,
Collector of Internal Revenue.

————, ————, 188—.

Owner of spirits to receipt therefor to collector of internal revenue on delivery of spirits when tax paid.

ART. 111. Upon the delivery of the spirits to the claimant, the collector will obtain from him the following receipt, to be indorsed on the duplicate notice received from the collector of customs:

————, ————, 188—.

Form of receipt.

RECEIVED of ———— ————, collector of internal revenue for the —— district of ————, the within-described spirits, which, according to the marks and brands thereon, contained, at the time of their withdrawal from the distillery warehouse, taxable gallons as follows:

Serial No. of package.	Taxable gallons.	Serial No. of package.	Taxable gallons.	Serial No. of package.	Taxable gallons.	Serial No. of package.	Taxable gallons.	Serial No. of package.	Taxable gallons.

These regulations will take effect November 25, 1885.

JOS. S. MILLER,
Commissioner.

Approved:

DANIEL MANNING,
Secretary.

(Series 7, No. 4, Revised, Supplement No. 1.)

REGULATIONS

RELATIVE TO THE

DETERMINATIONS ALONGSIDE OF OR ON BOARD THE EXPORTING VESSEL BY COLLECTORS OF CUSTOMS OF THE TAXABLE QUANTITY OF DISTILLED SPIRITS EXPORTED UNDER INTERNAL-REVENUE LAWS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
May 27, 1892.

Hereafter the customs gauger when inspecting and gauging spirits subject to internal-revenue tax, under the order of the collector of customs as set forth in Articles 25 and 92, Series 7, No. 4, Revised, will use the gauge rod in all cases where the spirits were gauged by that instrument at the distillery warehouse, and will use the weighing instruments and the "Gauger's Weighing Manual" as to all spirits inspected at distillery warehouses under the weighing system as set forth in Internal-Revenue Regulations, Series 7, No. 11, Revised, Supplement No. 1, and Internal-Revenue Circulars Nos. 375, 376, and 387.

In case accurate weighing scales, used by customs officers in weighing articles subject to customs duty and which are convenient and suitable for the purpose, are found at the port of export, such scales may be used for weighing spirits under these regulations; otherwise the weighing beams prescribed by the Commissioner of Internal Revenue will be furnished upon application to the Secretary of the Treasury.

The Commissioner of Internal Revenue will furnish, upon application, copies of the "Gauger's Weighing Manual," Circulars Nos. 375, 376, and 387, and such other instructions as may be needed.

G. W. WILSON,
Acting Commissioner.

Approved:
CHARLES FOSTER,
Secretary of the Treasury.

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TREASURY DEPARTMENT, *May* 27, 1892.

The foregoing instructions are hereby made to apply to distilled spirits entered for export with benefit of internal-revenue drawback under section 3329, Revised Statutes, and so much of Internal-Revenue Regulations, Series 7, No. 7 (Appendix), as relates to such distilled spirits are hereby amended so as to conform to said instructions.

CHARLES FOSTER,
Secretary of the Treasury.

(Series 7, No. 5.—Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

THE ESTABLISHMENT OF SPECIAL BONDED WAREHOUSES

FOR THE STORAGE OF

BRANDY

MADE FROM

APPLES, PEACHES, OR GRAPES EXCLUSIVELY,

AND THE

TRANSPORTATION AND EXPORTATION THEREOF IN BOND,

AND

EXPORTATION WITH DRAWBACK.

JANUARY 4, 1889.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1889.

14803——1

TREASURY DEPARTMENT,
Document No. 1182.
Internal Revenue.

55277

(Series 7, No. 5.—Revised.)

REGULATIONS

CONCERNING THE

ESTABLISHMENT OF SPECIAL BONDED WAREHOUSES FOR THE STORAGE OF BRANDY MADE FROM APPLES, PEACHES, OR GRAPES EXCLUSIVELY, AND THE TRANSPORTATION AND EXPORTATION THEREOF IN BOND, AND EXPORTATION WITH DRAWBACK.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, January 4, 1889.

The act entitled "An act relating to the production of fruit-brandy, and to punish frauds connected with the same," approved March 3, 1877, provides:

ARTICLE I.

"That the Commissioner of Internal Revenue shall be, and hereby is, authorized in his discretion, and upon the execution of such bonds as he may prescribe, to establish warehouses, to be known as special bonded warehouses, not exceeding ten in numbers in any one collection-district, exclusively for the storage of brandy made from grapes, each of which warehouses shall be in the charge of a storekeeper, to be appointed, assigned, transferred, and paid in the same manner that storekeepers for distillery-warehouses are now appointed, assigned, transferred, and paid. Every such warehouse shall be under the control of the collector of internal revenue of the district in which such warehouse is located, and shall be in the joint custody of the storekeeper and the proprietor thereof, and kept securely locked, and shall at no time be unlocked or opened or remain open except in the presence of such storekeeper or other person who may be designated to act for him, as provided in the case of distillery-warehouses. And such warehouses shall be under such further regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

"SEC. 2. That every distiller of brandy from grapes, upon rendering his monthly return of materials used and spirits produced by him, shall immediately pay the tax upon such spirits, or may, after they have been properly gauged, marked, and branded under regulations to be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, and also stamped as hereinafter provided, cause them to be removed in bond from the place of manufacture to a special bonded warehouse, under such regulations, and after making such entries, and executing and filing with the collector of the district in which such spirits were manufactured such bonds and bills of lading, and giving such other additional security as may be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury.

"SEC. 3. That all brandy intended for deposit in a special bonded warehouse, before being removed from the distillery, shall have affixed to each package an engraved stamp indicative of such intention, to be provided and furnished to the several collectors as in the case of other stamps, and to be charged to them and accounted for in the same manner; and for the expense attending, providing, and affixing such stamps ten cents for each stamp shall be paid the collector on making the entry for such transportation.

"SEC. 4. That any brandy made from grapes removed in bond according to law may, upon its arrival at a special bonded warehouse, be deposited therein upon making such entries, filing such bonds and other securities, and under such regulations as shall be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury. It shall be one of the conditions of the warehousing-bond covering such spirits that the principal named in said bond shall pay the tax on the spirits as specified in the entry, or cause the same to be paid within three years from the date of the original gauging of the same, and before withdrawal, except as hereinafter provided.

"SEC. 5. That any brandy made from grapes may be withdrawn once and no more from one special bonded warehouse for transportation to another special bonded warehouse; and such brandy shall, on its arrival at the second special bonded warehouse, be immediately entered therein, from which warehouse it shall be withdrawn only on payment of the tax or for immediate exportation. In case the brandy withdrawn is intended for deposit in another special bonded warehouse an additional stamp, indicative of such intention, shall be affixed to each package withdrawn, as in the case of brandy withdrawn from a distillery intended to be so deposited. And in case the brandy is intended for exportation, an engraved stamp, indicative of such intention, shall be affixed to each package so removed, as in the case of spirits withdrawn from a distillery bonded warehouse for exportation, under the provisions of section thirty-three hundred and thirty, Revised Statutes; all the provisions of which section not inconsistent with this act are hereby made applicable to such withdrawals. And all withdrawals authorized by law of grape-brandy from any special bonded warehouse shall be upon making such withdrawal entries, and under such regulations, and unless the withdrawal is upon payment of tax, upon the execution of such bonds and bills of lading as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. Export bonds given under the provisions of this act shall be canceled upon the production of such certificates of landing as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, or upon proof of loss at sea satisfactory to the Commissioner of Internal Revenue. And the provisions of existing law relative to an allowance of loss by casualty in a distillery bonded warehouse are hereby made applicable to brandy stored in special bonded warehouses, in accordance with the provisions of this act.

"SEC. 6. That the provisions of existing law in regard to the exportation of distilled spirits are hereby extended so as to permit the exportation from special bonded warehouses of grape brandy free of tax in any original cask containing not less than twenty gallons, and for the exportation of grape brandy upon which all taxes have been paid, with the privilege of drawback in quantities of not less than one hundred gallons, and in the distillers' original cask, [casks,] containing not less than twenty-nine * gallons each.

"SEC. 7. That whenever, in the opinion of the Commissioner of Internal Revenue, any special bonded warehouse is unsafe or unfit for use, or the merchandise therein is liable to loss or great wastage, he may discontinue such warehouse, and require the merchandise therein to be transferred to such other warehouse as he may designate, and within such time as he may prescribe; and all the provisions of section thirty-

* So in Statute.

two hundred and seventy-two of the Revised Statutes of the United States, relating to transfers of spirits from warehouses, including those imposing penalties, are hereby made applicable to transfers from special bonded warehouses.

"SEC. 8. That the tax upon any brandy distilled from grapes, removed from the place where it was distilled, and in respect of which any requirement of this act is not complied with, shall, at any time when knowledge of such fact is obtained by the Commissioner of Internal Revenue, be assessed by him upon the distiller of the same, and returned to the collector, who shall immediately demand payment of such tax, and, upon the neglect or refusal of payment by the distiller, shall proceed to collect the same by distraint. But this provision shall not exclude any other remedy or proceeding provided by law.

"SEC. 9. That nothing in this act shall be construed as extending the time in which the tax on brandy made from grapes shall be paid beyond three years from the day on which the taxable quantity is ascertained by the gauger; and all brandy made from grapes, found elsewhere than in a distillery or special bonded warehouse, not having been removed therefrom according to law, and all brandy on which the tax has not been paid within three years of the date of the original gauging shall be forfeited to the United States.

"SEC. 10. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may make all needful rules and regulations for carrying into effect the provisions of this act, and such regulations when made shall have all the force and effect of law.

"SEC. 11. That in case any grape brandy removed from the distillery for deposit in a special warehouse shall fail to be deposited in such warehouse within ten days thereafter, or within the time specified in any bond given on such removal, or if any grape brandy deposited in any special warehouse shall be taken therefrom for deposit in another warehouse, or for export, or otherwise, without full compliance with the provisions of this act, and with the requirements of any regulations made thereunder, and with the terms of any bond given on such removal, then any person who shall be guilty of such failure, and any person who shall in any manner violate any provisions of this act, or of the regulations made in pursuance thereof, shall be subject, on conviction, to a fine of not less than one hundred dollars nor more than five thousand dollars, and to imprisonment for not less than three months nor more than three years, for every such failure or violation; and the spirits as to which such failure or violation shall take place shall be forfeited to the United States."

ARTICLE 2.

The act entitled "An act to provide for warehousing fruit brandy," approved October 18, 1888, provides:

"That the provisions of an act entitled "An act relating to the production of fruit brandy, and to punish frauds connected with the same," approved March third, eighteen hundred and seventy-seven, be extended and made applicable to brandy distilled from apples or peaches, or from any other fruit the brandy distilled from which is not now required or hereafter shall not be required to be deposited in a distillery warehouse:* *Provided*, That each of the warehouses established under said act, or which may hereafter be established, shall be in charge either of a store-keeper or of a store-keeper and gauger, at the discretion of the Commissioner of Internal Revenue."

In pursuance of the requirements of the acts of Congress above quoted, and by virtue of the authority conferred thereby, the following

* The brandy distilled from all fruits other than apples, peaches, or grapes is still required to be deposited in a distillery warehouse.

rules and regulations are prescribed for the purpose of carrying into effect the provisions of said acts:

Article 3.

WAREHOUSES.

Warehouses in which brandy distilled from apples, peaches, or grapes exclusively may be stored in bond under the provisions of the foregoing acts will be known and designated as "special bonded warehouses," and will be numbered in the order in which they are established in their respective collection districts.

Such warehouses will be established only in principal towns or cities and at ports of entry, or at such central points as afford the best transportation facilities and are accessibe to the largest number of depositors.

Article 4.

A special bonded warehouse must be an entire building, suitable for that purpose, or a separate and secure room in a suitable building; but no dwelling-house shall be used for such purpose, and no door, window, or other opening shall be made or permitted in the walls of such building or room leading into any other room or building, except that when a room is used the door, when necessary, may lead into a hall or passage-way, or elevator shaft; and all doors, except the one on which the Government lock is placed, must be securely closed and barred on the inside, and on all windows iron bars must be placed, or solid shutters which must be securely barred or fastened on the inside. Such warehouse shall not be under the same roof or in the same building with a distillery or a redistilling or rectifying establishment, or on premises adjoining thereto, and no distiller or any other person engaged in the production, redistillation, or rectification of distilled spirits shall be interested in such warehouse as owner or proprietor. Such warehouse must be a first-class warehouse, according to the classification of fire-insurance companies of the city or place, or of the board of fire underwriters where such exists.

Article 5.

The party desiring to establish a special bonded warehouse for the storage of brandy made from apples, peaches, or grapes, exclusively, will make application to the collector of internal revenue of the district in which the same is located, giving the precise location of the warehouse, the material of which it is constructed, the size of warehouse, in width, length, and height, and, if an entire building, the number of rooms, and the storage capacity of the same.

The application may be made in the following form:

The undersigned hereby make — application for the approval of a special bonded warehouse for the storage of brandy distilled from apples, peaches, or grapes, exclu-

sively, situated at No. ——, ——— street, in ——— ———, county of ———, in the ——— district of ———.

Said warehouse is constructed of (here describe accurately the building or room proposed, as to size, giving length, width, and height; and, when an entire building, the number of stories and rooms; and, when a room, an exact description of the building in which it is situated and its precise location therein; and in every case describe all the openings, connections, and surroundings, and state how each opening is secured.)

The storage capacity is estimated at ——— barrels. Said warehouse is not under the same roof or in the same building with a distillery or a redistilling or rectifying establishment, or on premises adjoining thereto, nor is the applicant a distiller or engaged in the production, redistillation, or rectification of distilled spirits.

The application must be accompanied by a sketch or diagram, accurately representing the warehouse, with all its connections, openings, and surroundings, and showing the relative position of the warehouse and surrounding buildings.

Article 6.

Upon receipt of the application and diagram, the collector will, by himself or deputy, examine and inspect the premises, and if, in his opinion, the location, construction, dimensions, and means provided for securing custody of the goods which may be stored in the same are satisfactory, and are found to be in conformity with the requirements of law and regulations, and properly set forth in the application and diagram, he will require the proprietor to make and execute a bond in duplicate, with at least two sureties, to be approved by the collector.

The bond shall be in the following form:

Form 234.

Know all men by these presents, that we, ——— ———, ——— ———, as principal—, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment of which, well and truly to be made to the United States, we bind ourselves, our heirs, executors, and administrators, jointly and severally, by these presents; as witness our hands and seals, at ———, this —— day of ———, eighteen hundred and eighty ——.

The condition of this obligation is such, that if the above-bounden principals, or either of them, or either of their heirs, executors, administrators, or assigns, shall comply, in all respects, with the provisions and requirements of the internal-revenue laws, and the regulations of the Commissioner of Internal Revenue made in pursuance thereof, and exonerate and hold the United States and its officers harmless from or on account of any risk, loss, or expense of any kind or description, connected with or arising from the deposit or keeping of any brandy distilled from apples, peaches, or grapes, exclusively, that may be deposited in the warehouse of the principal—above-named, known as special bonded warehouse No. ——, situated at ——— ———, in the county of ———, district of ———, under the provisions of any law now existing or hereafter enacted; or of brandy distilled from any other fruit which may hereafter be lawfully deposited in such special bonded warehouse; or of any brandy that may be deposited therein on detention, seizure, or distraint under the internal-revenue laws, and shall not store in the said warehouse any other goods, wares, or merchandise than those duly bonded for warehousing and designated to be deposited in

such warehouse by the internal-revenue laws, or brandy detained, seized, or distrained under internal-revenue laws, and shall safely keep all goods stored therein, and shall deliver the same to the order of the collector of internal-revenue, looking to the depositors of said goods for the storage and charges, and shall not remove, or suffer to be removed, from said warehouse, any goods stored therein, without lawful permit, and without the presence of the officer having custody thereof, or in case of such removal, shall pay to the collector of internal revenue for the district double the amount of the tax upon the merchandise so removed, then this obligation to be void, otherwise to be and remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Sealed and delivered in presence of—

——— ———.
——— ———.

The penal sum in the foregoing bond should in no case be less than $5,000, and should always be sufficient to cover the tax on the total quantity of brandy that can be stored in the warehouse at one time, provided that the bond shall in no case exceed the sum of $100,000. The sureties on this warehouse-bond should be required to justify on Form 33 in such amounts as shall be ample to save the Government harmless from loss, which amounts should, in the aggregate, be at least equal to the penal sum of the bond. (For further instructions as to preparation of bonds and justification of sureties see Article 29.)

Article 7.

When the bond is found by the collector to be properly filled up and executed, and the sureties ample, he will indorse upon each copy thereof a certificate of the sufficiency of the penalty, and of the responsibility of the obligors, and of his approval of the same, giving the date of such approval.

Article 8.

Upon approval of the bond by the collector he will report in writing concerning the application, stating the fact of personal inspection of the premises by himself or deputy, and giving his opinion as to the necessity, capacity, and security of the warehouse.

Article 9.

No application for any special bonded warehouse will be granted, unless accompanied by the collector's certificate that the number of warehouses of that class already established in the district is not sufficient, and that the establishment of such additional warehouse is necessary for the storage of brandy distilled from apples, peaches, or grapes, exclusively, and that the building or premises offered are satisfactory in respect to location, construction, dimensions, and the means provided for

securing the safe custody of the merchandise which may be stored therein, and are in every particular in accordance with law and regulations.

The collector's report and certificate may be in the following form:

I hereby certify that the building or premises described in the application of ——— ——— for approval as a special bonded warehouse have been examined and inspected by ——— ———, and that the same are satisfactory in respect to location, construction, dimensions, and means provided for securing the safe custody of the goods which may be stored therein, and are in every particular in conformity with law and regulations and as set forth in the application and diagram; and I estimate the storage capacity at ——— barrels.

I further certify that the number of such warehouses established in this district is not sufficient, and the establishment of an additional warehouse is necessary for the storage of brandy distilled from apples, peaches, or grapes exclusively.

I therefore recommend the approval of said warehouse.

——— ———,

Collector ——— *district of* ———.

Article 10.

The collector having made this certificate will transmit the following papers to the Commissioner of Internal Revenue:

(1) Application and diagram.

(2) Collector's certificate.

(3) Insurance certificate showing the warehouse to be a first-class warehouse, according to the classification of fire insurance companies of the city or place, or of the board of fire underwriters where such exists.

(4) The duplicate of the bond on which will be indorsed the collector's certificate of the sufficiency of the penalty, and of the responsibilty of the obligors, and the date of approval.

Article 11.

At the time of transmitting the application, the collector will nominate some qualified store-keeper for assignment to the warehouse. The collector will in no case allow the warehouse to be used as a special bonded warehouse until receipt of notice from the Commissioner that he has approved the application and assigned a store-keeper.

Article 12.

SIGN.

A conspicuous sign must be placed over the front entrance of each warehouse, or upon the outer wall, so that it can be plainly seen and read from the street, and will be, in substance, as follows:

SPECIAL INTERNAL-REVENUE BONDED WAREHOUSE.

——— *district of* ———

No. —.

——— ———, *Proprietor.*

These blanks must be properly filled, so as to show the number of the district, the number of the warehouse, and the name of the proprietor.

Neglect to furnish and keep this sign in proper place will be cause for the discontinuance of the warehouse.

Collectors will designate each warehouse by its number on the warehouse record.

Article 13.

WAREHOUSE HOURS OF BUSINESS.

Store-keepers are required to personally superintend the opening and closing of the doors and windows of the warehouse under their charge, and, unless by express permission of the Commissioner, to be in constant attendance during all hours of the day, and no goods shall be removed from the warehouse at any other time than after sunrising and before sunsetting.

Article 14.

SUITABLE OFFICES TO BE PROVIDED.

An office for the accommodation of the proprietor may be allowed in special bonded warehouses, but such office must be separated by a permanent partition from the rest of the warehouse, so that the proprietor shall have no access to the goods, except in the presence of the store-keeper, who, in such case, must be allowed such use of the office as may be necessary in the performance of his official duties.

Article 15.

JOINT CUSTODY OF WAREHOUSES.

Special bonded warehouses shall be in the joint custody of the store-keeper and proprietor, and kept securely locked; and shall at no time be unlocked or opened, or remain open, except in the presence of such store-keeper or other person who may be designated to act for him. The only lock to the warehouse must be the Government lock, the key of which must at all times be in charge of the store-keeper.

When application for approval of such warehouse is forwarded the collector will also make requisition for a seal lock.

Article 16.

DISCONTINUANCE OF SPECIAL BONDED WAREHOUSES.

Special bonded warehouses will be subject to such further rules as may be deemed necessary, from time to time, for the safe-keeping of the goods and protection of the revenue, and may be discontinued as special bonded warehouses by the Commissioner of Internal Revenue when, in his opinion, the public interests may require. In case of such discontinuance, if there should be any goods in store which it would be necessary to remove to another special bonded warehouse, the expense of removal must be paid by the owner or owners of the goods.

Should the proprietor of any building designated as a special bonded warehouse fail or refuse to comply with any law regulating the storage of merchandise, or any rules or regulations issued by the Commissioner of Internal Revenue, or requirement by the collector, for the safety of the goods stored, the collector will refuse permission to deposit goods in such warehouse, and report the facts at once to the Commissioner of Internal Revenue for his action.

Whenever the Commissioner of Internal Revenue shall be of opinion that any special bonded warehouse is unsafe or unfit for use, or the merchandise therein liable to loss or great wastage, he may discontinue such warehouse, and require the merchandise therein to be transferred to such other warehouse as he may designate, and within a time to be prescribed by him.

The Commissioner of Internal Revenue will discontinue any special bonded warehouse upon application of the proprietor thereof, with the approval of the collector, after reasonable notice by the proprietor to the depositors of the goods stored therein, and the removal of such goods to another special bonded warehouse.

Article 17.

Proprietors of special bonded warehouses will be required to give a new bond in case of the death, insolvency, or removal of either of the sureties; and a new bond may be required in any other contingency at the discretion of the collector or Commissioner of Internal Revenue; and if, after reasonable notice, they fail to give such new bond no more goods will be deposited in such warehouses, and those within the same will be withdrawn.

Article 18.

SUPERVISION AND EXPENSE OF TRANSFERS.

All transfers, made upon the discontinuance of special bonded warehouses, shall be made under the supervision of the collector, or of such officer as may be designated by the Commissioner, and the expense thereof shall be paid by the owners or depositors of the merchandise. If such transfers are not made, or expense not paid by the owners or depositors, the merchandise will be seized and sold by the collector as upon distraint.

Article 19.

DISPOSITION OF WAREHOUSE BOND.

Warehouse bonds are not to be canceled or delivered up to the bondsmen, but are to be retained and filed by the collector in his office. Collectors may, however, when the facts justify it, give a certificate that the warehouse has been discontinued and surrendered to the owner, and that, so far as known to the collector, the conditions of the bond have been fulfilled.

Article 20.

DUTIES OF STORE-KEEPERS.

It is the duty of the store-keeper always to keep in his own possession the key of the Government lock in use on the warehouse under his charge, never suffering it to go out of his custody, except to the collector, or to his successor in office upon the order of the collector. Nor must he allow any goods to be received or delivered, except in his presence, nor must he be absent from the warehouse while it is unlocked. He should also be always present when goods are examined or inspected, and see that none are unlawfully abstracted or taken away. Neither the owner or proprietor of the warehouse, nor any other person, will in any case be allowed to have access to it, except in presence of the store-keeper or collector having charge thereof, and the store-keeper will promptly inform the collector of any infraction of the warehouse rules and regulations by the owner or proprietor, or other person.

Any store-keeper who is absent from the warehouse under his charge while it is unlocked will be discharged.

Article 21.

The store-keeper is to note carefully each package of spirits received into or taken out of the warehouse, making entry on his books of the name of the distiller, the number and district of the distillery, and the number and district of the distillery or warehouse from which the spirits are received, serial number of the package, serial number of the stamp or stamps, the kind of brandy received, and the wine, proof, and taxable gallons, and in case of withdrawals, the purpose for which the withdrawal is made; and make daily report of the same facts, in like manner, on Forms A 86 and A 86½, respectively.

The same report of wine-gallons, proof-gallons, and taxable gallons should be made in the monthly warehouse report, Form A 87, revised, care being taken, in all cases where required, that the serial numbers of the packages are given.

Article 22.

The monthly return, Form A 87, revised, must show the quantity of spirits in warehouse on the first day of the month, before any spirits are entered or withdrawn, the quantity entered and withdrawn during the month, which will of course agree with the footings on his warehouse book, and the aggregate of his daily reports on Forms A 86 and A 86½, and the quantity in warehouse on the last day of the month, after the close of business for that day.

The transactions during the month, as to each kind of brandy entered into and withdrawn from warehouse, should also be reported in aggregate on the first page of Form A 87, revised, under the appropriate headings, and also in detail on the inside pages of that form in accordance with instructions printed thereon.

Article 23.

Store-keepers must make the daily reports on Forms A 86 and A 86½, during all the time they are in charge of the special bonded warehouse, for each day when any spirits are entered into or withdrawn from the warehouse, and in no case must the transactions of more than one day appear upon these forms. Where the transactions for any given day include brandy belonging to several distillers, a separate report (Form A 86, or 86½) must be made for the transaction of each distiller; and in case different kinds of brandy are entered or withdrawn by the same distiller on the same day, the quantity of each kind should be specified.

Article 24.

It is the duty of the store-keeper to know that all entries and reports made by him are correct. He has no right to estimate, or to trust to the information received from the proprietor of the warehouse, or any one in his employ. He is placed on duty, not to receive and record the reports of the proprietor or his employés, but to keep a record of transactions of which he is required to have a personal knowledge.

Article 25.

The position of store-keeper is one of special confidence and trust, and the faithful discharge of the duties pertaining thereto will entitle the officer to the favorable consideration of this office. No officer can be said to faithfully discharge his duties who is found absent from his post during the assigned hours, nor who fails in accomplishing the purposes of his appointment; and it is earnestly hoped that the services rendered will, in every instance, be of a character which will commend the officer to confidence.

Article 26.

The act approved October 18, 1888, provides:

"That each of the warehouses established under said act, or which may hereafter be established, shall be in charge either of a store-keeper or of a store-keeper and gauger, at the discretion of the Commissioner of Internal Revenue."

In case of the assignment of a store-keeper and gauger to a special bonded warehouse, as authorized by this act, such officer will perform the duties and make the returns which are required of a store-keeper and of a gauger respectively.

Article 27.

REMOVALS IN BOND.

The removals authorized by law are:

(1) From distilleries to special bonded warehouses located in the same or in another district.

(2) From one special bonded warehouse to another special bonded warehouse in the same or in another district.

Article 28.

Where brandy is intended to be removed in either of the foregoing cases the distiller will, before making the removal, and on the 1st day of July in each year, file with the collector *in whose district the spirits are to be warehoused* the following bond in *triplicate*, with sureties satisfactory to that officer, and in a penal sum of not less than the tax on the estimated quantity of brandy to be removed thereunder up to the ensuing 1st day of July—and in no case less than $500—one copy of said bond to be immediately forwarded to the Commissioner of Internal Revenue, with the collector's approval indorsed thereon; one to be held by the collector on file in his office, and one copy to be furnished to the United States district attorney in case suit is to be instituted, as provided in article 73.

Form 235.

TRANSPORTATION AND WAREHOUSING BOND.

Know all men by these presents, That we, ——— ———, ——— ———, as principal—, and ——— ———, ——— ———, as sureties, are held and firmly bound unto the United States of America in the full and just sum of —— thousand dollars, lawful money of the United States; to which payment, well and truly to be made, we bind ourselves, jointly and severally, our several heirs, executors, and administrators, firmly by these presents.

Sealed with our seals, and dated this —— day of ———, A. D. 188–.

The condition of the foregoing obligation is such, that, whereas the above bounden principal intends to deposit in the following-named special bonded warehouses located in the ——— collection district, State of ———, to wit:

Warehouse No. —— of ———, at ———;
Warehouse No. —— of ———, at ———;
Warehouse No. —— of ———, at ———;
Warehouse No. —— of ———, at ———;

certain brandy produced, or that may hereafter be produced, at his distillery No. ——, located at ———, in the ——— collection district, State of ———.

Now, therefore, if the aforesaid principal shall as to all such brandy removed from the said distillery, or from either of said special bonded warehouses, for deposit in said special bonded warehouses, or in either of them, or removed from either of said warehouses for deposit in any special bonded warehouse in another collection district, safely transport to and deliver the same in the warehouse in which such deposit is to be made, within the time and in the manner required by the internal-revenue laws and regulations issued pursuant thereto; and shall, as to all brandy so removed and deposited in either of the special bonded warehouses hereinbefore designated by name and number, safely store the same therein, and shall well and faithfully comply with all the requirements of said laws and regulations pertaining thereto; and if the said principal shall, as to all brandy hereafter so removed for deposit in the warehouses so designated, *and as to all brandy heretofore so removed for deposit in said warehouses

since the †—— day of ———, 188–, and not lawfully removed therefrom,* well and truly pay unto the collector of internal revenue for the district in which said warehouses are located the tax due on such brandy as specified in his entry, or cause the same to be paid within three years from the date of the original gauging of the same, and before withdrawal, except as otherwise provided by law, then this obligation to be void; otherwise to remain in full force and virtue.

——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]

Signed, sealed, and delivered in presence of—

———.
———.
———.
———.

State of ———, *county of* ———, *ss:*

I hereby certify that on this —— day of ———, one thousand eight hundred and eighty——, before me personally came ——— ———, ——— ———, known to me to be the individuals described in and who executed the above bond, and severally acknowledged that they executed the same.

[SEAL.] ——— ———.

ARTICLE 29.

INSTRUCTIONS AS TO EXECUTION OF BONDS AND QUALIFICATION OF SURETIES.

In deciding upon the responsibility and sufficiency of sureties to the foregoing bond, and to all other bonds taken under the aforesaid act and these regulations, collectors will exercise great care, and will in all cases require justification on the appropriate form (33 or 33*b*) heretofore prescribed. Collectors will observe that sureties are not to be accepted simply because they justify on Form 33 or 33*b*. The principal object of said forms is to obtain statements which the collector can and is in all cases required to investigate, in order to determine the truth or falsity of the same; and no bond will be finally accepted until the statements made by each surety are found to be true, and certified to be so by the collector.

Collectors will also see that, in all cases, the following instructions are particularly observed and complied with, viz:

(1) The Christian names must be written in the body of the bond in full, and so signed to the bond.

(2) The residence of each signer must be stated in the bond.

(3) A seal of wax or wafer must be attached to each signature.

---

† In case of a *renewal* bond (Art. 30), or where brandy remaining in either of the warehouses designated and deposited therein prior to July 1, 1889, is to be *rebonded*, the date to be here inserted will be that of the bond under which the first entry of such brandy was made; otherwise the clause included in asterisks (* *) will be stricken out.

NOTE.—All brandy remaining in special bonded warehouses under bonds taken prior to July 1, 1889, will be treated and accounted for as provided in regulations, Series 7, No. 5, of February 5, 1881.

(4) Each signature must be made in the presence of two witnesses, who must sign their names as such.

(5) There must be at least two sureties, and the bond must be dated.

(6) The penal sum named in the bond (Form 235), must not be less than the amount of the tax on the estimated quantity of brandy to be removed to the several warehouses designated in the bond from the date of the bond to the ensuing first day of July, and in no case less than $500. (For penalty of bond Form 234 see Article 6.)

(7) The bond (Form 235) when filed must be numbered in consecutive order in each district, commencing with No. 1 for the first bond. In case of a renewal bond, however, the serial number thereof should be that of the original bond, so that the same number will be given to all bonds filed by the same distiller in the same district. Renewal bonds will also be designated by letters A, B, C, etc.

Article 30.

RENEWAL BONDS, FORM 235.

New bonds (Form 235) will be required, and must in every case be filed with the collector of the district as follows:

(1) On the first day of July in each year, except when that day falls on Sunday, when the bond should be executed on the following day.

(2) In case of death, removal, or insolvency of either of the sureties to the outstanding bond, or in any other contingency in the discretion of the collector or the Commissioner of Internal Revenue.

Should the distiller neglect or refuse to file the required bond in either of the foregoing-named cases, the collector will at once report for assessment all outstanding taxes due or accruing on the spirits not so rebonded, as provided in section 8 of the act of March 3, 1877, before quoted.

(3) A new bond will also be required where the outstanding bond is debited with taxes in excess of the authorized credits in an amount equal to or so closely approximating the penal sum of the bond as to render a new bond necessary or advisable. Should the distiller in such a case neglect to file the required bond in an additional sum, the collector will refuse to allow him to make further removals of spirits from his distillery to special bonded warehouses until the liability on the out standing bond is so reduced as to safely admit of such removals being made.

(For instructions as to method of determining outstanding liabilities on the bond, Form 235, see art. 61.)

Article 31.

REMOVALS FROM A DISTILLERY TO A SPECIAL BONDED WAREHOUSE IN THE SAME DISTRICT.

After the execution and acceptance of the prescribed bond (Form 235), and upon detailing a gauger to gauge the month's production (see page

92, Regulation 7, No. 7, and Circular No. 321), the collector will cause the month's product of brandy stored on the distillery premises to be gauged (if not already gauged) and inspected, and will deliver to the gauger the following order and permit in *duplicate:*

Bond, serial No. —.] FORM 236. [Part 1.

UNITED STATES INTERNAL REVENUE.

Order for inspection of brandy and permit for removal to special bonded warehouse.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
——— district of ———, ——— —, 188-.

SIR: You will proceed to the distillery of ——— ———, at ———, and there inspect and gauge according to law and regulations all brandy found on the said distillery premises and not heretofore gauged, and you will properly mark and stamp so much of the brandy thereon stored as the said distiller may designate for removal to either of the following-named special bonded warehouses, not exceeding, however ——* taxable gallons—the said distiller having filed the required bond for the transportation of said brandy to either of said warehouses and for the safe storage therein, to wit:

Warehouse No. ——, of ———, at ———.
Warehouse No. ——, of ———, at ———.
Warehouse No. ——, of ———, at ———.
Warehouse No. ——, of ———, at ———.

Upon completing your inspection and gauge you will append a report thereof to to each copy of this order and permit, and forward the same to ——— ———,† after the distiller has appended his entry for withdrawal, transportation, and deposit Part 3 of this form.

———,
Collector.

To ——— ———,
Gauger.

ARTICLE 32.

It will be the duty of the gauger to gauge, mark, and brand all ungauged packages of brandy found on the distiller's premises, and to affix to all packages designated by the distiller for removal to a special bonded warehouse the appropriate stamps, which will be furnished the gauger by the collector as authorized by section 16, act of May 28, 1880.

The letters and figures branded or cut on the packages should in no case be less than one-half inch in length, and may be abridged as follows:

No. 53.
Grape Brandy.
R. S. Garrett, Distiller,
1st Dist., Cal.
Withd'n Apr. 10th, 1877, P. G. 44,
S. B. W. S. 385.
To S. B. W., 5, 1st Dist., Cal.

* The tax on the number of gallons to be here stated must in no case exceed the amount of the distiller's bond (Form 235), after deducting all outstanding charges on the bond. See art. 61.

† This office or to store-keeper ——— ———, as convenience may require.

ARTICLE 33.

After the spirits have been gauged, marked, and stamped as herein required, the gauger will append to each copy of the collector's order and permit a report in the following form, and also a detailed report of his gauge on Form 59½.

FORM 236. [Part 2.

REPORT OF GAUGER.

——, — —, 188—.

I hereby certify that the following-described brandy, produced by —— ——, during the month of ——, 188—, and intended for deposit in special bonded warehouse No. ——, of —— ——, located at ——, ——, has been inspected and gauged by me in pursuance of your annexed order, and found to be as follows, viz:

Date of original gauge.	Number of packages.	Serial numbers of packages.	Numbers of special warehouse stamps.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.

—— ——,
United States Gauger.

To —— ——,
Collector.

ARTICLE 34.

The gauger will then deliver the order and accompanying report to the distiller, who will immediately indorse thereon his entry for withdrawal, transportation, and deposit in the following form:

FORM 236. [Part 3.

ENTRY FOR WITHDRAWAL, TRANSPORTATION, AND DEPOSIT.

State of ——,
——, — —, 188—.

Entry of ——* brandy now stored at ——,† No. ——, at ——, State of ——, for transportation therefrom, by the conveyance and over the route hereinafter designated, for deposit in special bonded warehouse No. ——, located at ——, in the —— collection district of ——, the said brandy to be delivered at and actually deposited in the said special bonded warehouse within —— days from the date hereof, to wit:

‡Date of original gauge.	Number of packages.	Serial numbers of packages.	Numbers of special warehouse stamps.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.

*Here state kind of brandy, whether apple, peach, or grape. If entry covers several kinds, the quantity of each kind should be reported separately.

†Distillery or special bonded warehouse, as the case may be.

‡Where the entry covers several lots of brandy gauged on different dates, each lot and the date of guaging thereof must be stated separately.

To be conveyed by ——.

(Here describe the entire route to be taken, stating where transportation by land is intended, the name of the railroad or other transportation company to which the goods are first to be delivered; and when transportation by water is intended the name of the line or company, and the name of the particular vessel or steamer to which the goods are to be delivered. Whenever practicable, these shipments must be made over bonded routes.)

—— ——.

To —— ——,* Esq.,
Collector.

The time to be specified in the foregoing entry for the delivery of the brandy to the warehouse designated will be such as is actually required to transport the spirits from the place of storage to such warehouse, and in no case to exceed fifteen days. (For time allowed in cases where the brandy is to be removed to a warehouse in another district, see Article 45.)

Article 35.

Upon executing the foregoing entry the distiller will be allowed to transport the spirits by the conveyance, and over the route or routes, designated in his entry. In case the brandy is to be removed from the distillery to the warehouse on carts, drays, or wagons, or, in case the distiller transports the brandy by his own conveyance, no bills of lading will be required. Otherwise, he will be required to obtain and attach to his entry *duplicate* bills of lading covering the spirits from the place of shipment to the designated warehouse and which must bind each railroad or other transportation company, and the owner or proprietor of each vessel or other conveyance transporting said brandy, while in their custody and being transported by them. Such bill of lading will be substantially in the following form:

Form A 5.

BILL OF LADING.

Office of ——, ——, ——, 188—.

Received from —— ——, of ——, State of ——, the following-described merchandise, in good order, consigned as marked and numbered as follows, to be transported in bond for [here give name of the distiller who is the principal to the bond] over the line of this —— to —— station, and delivered in like good order [at said station or to such company of carriers whose line forms a part of the route (in which latter case the name of the company should be stated), to be forwarded and delivered] to the internal-revenue store-keeper, or store-keeper and gauger, in charge of special bonded warehouse No. ——, owned by —— ——, at ——, in the —— district of ——, and, under said officer's direction, to be placed in said special bonded warehouse, the said [here insert name of applicant] paying freight and all charges on said merchandise.

* The name of the collector in whose district the *warehouse* is situated should be here inserted.

In witness whereof, the agent of the said ——— company hath affirmed to three bills of lading, all of this tenor and date, one of which being accomplished, the others will stand void.

Number of packages.	Marks and serial numbers of packages.	Numbers of special warehouse stamps.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.

———— ————,
Freight Agent.

ARTICLE 36.

The distiller must make arrangements for shipment, rate, and payment of freight, and the like details with the transportation company, owner, or agent of the vessel or other conveyance; and the parties may be allowed to specify in the bill of lading the conditions of their agreement in respect to those matters, but nothing must be incorporated therein which will in any manner impair the obligation of the distiller and transportation companies to forward and deliver such goods to the designated officer of internal revenue; and the distiller shall take all necessary measures to insure the safe delivery of the brandy to the said officer, and its safe deposit in the special bonded warehouse within the time specified in his entry, Form 236.

ARTICLE 37.

The bills of lading, when procured, with the collector's order and permit (Part 1, Form 236), the gauger's report (Part 2, Form 236), and the distiller's entry (Part 3, Form 236), will then be at once delivered to the gauger, who will immediately forward the same to the collector; or, if so instructed by that officer, to the store-keeper in charge of the warehouse designated therein.

ARTICLE 38.

On the arrival of the brandy at the warehouse the same will be received and examined by the store-keeper or store-keeper and gauger in charge, and in case there is a noticeable discrepancy between the actual contents and the quantity stated in the marks and brands on the packages, or the officer in charge has reason to believe the packages or contents have been tampered with, if a store-keeper and gauger, he will immediately make a gauge and inspection of the spirits to ascertain the deficiency or excess, or if a store-keeper, he will report the fact to the collector, who will detail a gauger to ascertain the deficiency or excess, which shall in either case be noted on the store-keeper's receipt (Part 4, Form 236).

Where a loss from any package exceeds by 33 per cent. the loss provided for in section 17, act of May 28, 1880, and is not less than three gallons, such loss will be deemed *excessive.*

In such cases the collector will not allow the packages showing such excessive loss to be transferred to another warehouse, but will immediately after the regauge require the packages to be removed from the warehouse upon payment of tax as provided in section 4 of said act, except where the loss is attributed to a casualty in warehouse, in which case a claim for abatement should at once be made under section 3221, Revised Statutes. See Art. 77.

ARTICLE 39.

Upon receipt of the distiller's entry for withdrawal, transportation, and deposit, and after the brandy has been inspected and verified, the store-keeper will indorse upon each copy of the entry the following receipt:

FORM 236. [Part 4.

STORE-KEEPER'S RECEIPT FOR BRANDY.

SPECIAL BONDED WAREHOUSE NO. ——,
——— DISTRICT OF ———,
———, ——, 188—.

I hereby certify that I have this day received the brandy described in the within entry, and that the same is now safely stored in the within-named special bonded warehouse under my charge, except as follows: (Here state shortage or discrepancy, if any, *as to each package received.*)

——— ———,
Store-keeper.

ARTICLE 40.

After having indorsed his receipt on the distiller's entry, the store-keeper will at once forward the same, with the accompanying papers, to the collector of the district, one copy of which will be retained by the collector and filed with the duplicate bond (Form 235) in his possession, and one copy, with accompanying papers, will be transmitted with his bonded account (Form A 94) to the Commissioner of Internal Revenue.

ARTICLE 41.

REMOVALS FROM A DISTILLERY TO A SPECIAL BONDED WAREHOUSE IN ANOTHER DISTRICT.

Where brandy stored in a distillery in one district is intended to be removed to a special bonded warehouse in another district, the distiller will first file his bond (Form 235) with the collector in whose district the warehouse is located.

Upon the approval of the bond the collector will at once so notify the collector of the district in which the distillery is situated, specifying in the notice the serial number of the bond, the name of the principal, the date and the amount of the bond, and the name and location of the distillery and the several warehouses designated in the bond.

ARTICLE 42.

The bond so filed will be numbered (see Art. 29) and an account will be kept thereon of all spirits received into the warehouses or removed therefrom (Arts. 59 and 60), and the collector holding such bonds will, on the first of each month, notify the collector from whose district the brandy was received of the amount of outstanding charges on each of such bonds on that day, or at such other times as may be requested by that officer. [For method of ascertaining outstanding liabilities on the bond, see article 61.]

ARTICLE 43.

After having received notice that a proper bond has been filed, as herein provided for, and upon application of the distiller to remove brandy to either of the warehouses designated in the notice, the collector of the district in which the distillery is situated will issue his order and permit (Form 236, part 1) in *triplicate*, modified to suit the case.

ARTICLE 44.

The same proceedings will be had as to the inspecting, marking, and stamping the brandy, the making of reports by the gauger, the filing of bills of lading, and the execution of the distiller's entry for withdrawal, transportation, and deposit, as in the case of removal from the distillery to a warehouse in the *same* district. The gauger's return of inspection, the bills of lading, and the distiller's entry will, however, be in *triplicate*, and the papers in the case, when completed, will be forwarded by the collector issuing his order and permit (Form 236) to the collector in whose district the warehouse to which the spirits are consigned is located.

ARTICLE 45.

In the cases here provided, where the distance between the distillery and the warehouses does not exceed 500 miles, the time to be inserted in the distiller's entry (Form 236) for the delivery and deposit of the spirits in the designated warehouse will be the same as allowed in cases of transfer to warehouses in the same district (see Art. 34), but if the distance exceeds 500 miles, and the time required to complete the transportation exceeds fifteen days, such additional time will be computed as follows:

(1) For transportation by cars: For each additional 100 miles, or fraction thereof, one day.

(2) For transportation by vessels propelled by steam: For each additional 50 miles, or fraction thereof, one day.

(3) For transportation by sailing-vessel: For each additional 25 miles, or fraction thereof, one day.

ARTICLE 46.

Upon the arrival of the brandy at the warehouse the same will be inspected and receipted for as in the case of removals of brandy from a distillery to a warehouse in the same district (Arts. 38 and 39), and after being so received in the warehouse the collector will, upon the receipt of the distiller's entry and accompanying papers, dispose of the same as follows: One copy to be immediately returned to the collector from whose district the brandy was received; one copy to be transmitted with the bonded account (Form A 94), to the Commissioner of Internal Revenue, and one copy to be retained and filed with the distiller's bond (Form 235).

ARTICLE 47.

REMOVALS FROM ONE WAREHOUSE TO ANOTHER WAREHOUSE IN THE SAME DISTRICT.

Where brandy is to be removed from one warehouse to another warehouse in the same district the distiller will, before removing the same, file with the collector a new entry (Form 236) in *duplicate*, which entry in duplicate will be forwarded by the collector to the store-keeper having the custody of the spirits, with an order under seal for the delivery of the spirits to the distiller or his duly authorized agent.

ARTICLE 48.

The proceedings and requirements as to bills of lading and other matters relating to such transfer will be similar to those prescribed in case of removals from a distillery to a warehouse in the same district (Arts. 31—40.) And a stamp, indicative of such intended removal, in addition to the one affixed upon removal from a distillery, is required to be affixed by the officer in charge to each package before the withdrawal from warehouse. The store-keeper will also add to the brand on the head of each cask words and figures indicating the date of the transfer, the number of the warehouse to which transferred, and the number of the re-warehousing stamp affixed. This additional brand may be abbreviated as follows:

Transf. June 10, 1877, S. B. R. W. S., 445, to S. B. W., 6, 1st dist., Cal.

ARTICLE 49.

The officer in charge will also make an examination of each package and will report all excessive deficiencies in the manner hereafter indicated, but no regauge is necessary unless a noticable deficiency is observed, and no change in the marks on the barrels will be made, except to cancel the re-warehousing stamp and to add the words and

figures indicating the new transfer. In case the ascertained deficiency as to any package exceeds that specified in Article 38, the store-keeper will not deliver such packages for shipment, but will detain the same as provided in said Article 38. (See Art. 77.)

ARTICLE 50.

Upon the delivery of the spirits the store-keeper will indorse upon each copy of the entry his certificate in the following form and forward the same to the collector, or, if so directed by that officer, to the store-keeper in charge of the warehouse to which the spirits are consigned:

SPECIAL BONDED WAREHOUSE NO. ——, —— DISTRICT OF ——,
—— ——, 188–.

The spirits herein described delivered this day to —— ——, for transfer to the within designated special bonded warehouse, except as follows:
(Here state shortage or discrepancy, if any, as to each package.)

—— ——,
Store-keeper.

ARTICLE 51.

Upon the arrival of the spirits at the second warehouse the proceedings will be the same as in case of transfer from a distillery to a warehouse in the same district (Arts. 38—40). An examination of the packages is to be made by the officer in charge, and, in case of noticeable loss or suspected tampering, a regauge of the spirits and a report as above to the collector and to the Commissioner of Internal Revenue of the deficiency or excess are to be made as provided in Art. 38. (See Art. 77.)

ARTICLE 52.

REMOVALS FROM ONE WAREHOUSE TO ANOTHER IN ANOTHER DISTRICT.

In case the brandy is to be removed from a warehouse in one district to a warehouse in another district, the distiller will, after having filed the required bond (Form 235) with the collector of the district to which the spirits are to be shipped, file with the collector of the district in which the spirits are then stored his entry for withdrawal, transportation, and deposit (Part 3, Form 236), in *triplicate*, as in case of removal from a distillery to a warehouse in another district.

ARTICLE 53.

Upon receipt of the entry the collector will indorse on each copy thereof his permit for the removal of the brandy, provided he has received notice from the collector to whose district the spirits are to be shipped that a proper bond covering the spirits has been filed (Art. 41), which entry and permit will be at once forwarded to the store-keeper having custody of the spirits.

ARTICLE 54.

The store-keeper on receiving the distiller's entry and the collector's permit will then affix and cancel the additional stamp required by law,

and cut or brand on the head of each package the additional words and figures indicative of the transfer, as in the case of removals from one warehouse to another in the same district. (Art. 48.)

No additional gauging is necessary, unless the packages indicate a large deficiency, in which case the packages showing an excessive loss will be detained by the store-keeper as provided in Articles 38 and 49.

Article 55.

Upon delivery of the brandy from the warehouse the store-keeper will indorse on each copy of the distiller's entry his certificate in the form prescribed in Article 50, and will return the entry to the collector, who will at once forward all the papers in the case to the collector of the district to which the spirits are to be shipped.

Article 56.

The requirements as to bills of lading, as to the delivery and inspection of the brandy at the second warehouse, as to the receipt therefor by the store-keeper of that warehouse, and as to the disposition of the papers filed, will be the same as in case of removal from a *distillery to a warehouse in another district.* (Arts. 44–46.)

In addition, however, to the receipt of the store-keeper for the spirits, the distiller, or his authorized agent, will be required to indorse upon each copy of the entry (Form 236) and under the store-keeper's receipt the following:

——— ———, 188—.

I hereby acknowledge the receipt and deposit of the spirits as specified in the foregoing certificate of store-keeper ———.

——— ———.

Upon payment of tax on any package on account of excessive losses the receiving collector to whom payment is made will at once notify the collector from whose district the spirits were shipped of such payment, specifying in such notice the serial number of the package, the amount of tax paid, and the date of payment. (See Arts. 38 and 77.)

Article 57.

After the spirits have been deposited in the warehouse designated in the distiller's entry, and upon receipt of the triplicate entry, duly verified by the store keeper and the distiller or his agent, the collector from whose district the spirits were removed will credit the distiller's bond (Form 235), with the quantity of spirits so removed and deposited, and also with the spirits upon which tax has been paid as above indicated.

Article 58.

An account to be kept with each bond, form 235.

To secure uniformity in the matter of keeping an account with each bond (Form 235), and in order that all outstanding liabilities may be

readily ascertained, blank bonds suitable for that purpose will be furnished to collectors on requisition and must be used in every case and an account kept thereon in strict conformity with the following instructions:

Debits.—The bond in each case will be charged with the full quantity of brandy removed from the distiller's premises to either of the *warehouses designated therein*,* as shown by the gauger's report (Part 2, Form 236) and the distiller's entry (Part 3, Form 236). Also in cases where brandy is received from *a special bonded warehouse in another district* and deposited in either of the warehouses designated in the bond.

Article 59.

Such charges will be in *aggregate* as to each lot so removed, and a copy of the gauger's report, the distiller's entry and the store-keeper's receipt (Form 236), retained by the collector, will be filed with the bond. The papers referred to should be filed with the bond as nearly as possible in the order of the dates of original gauge to enable the collector to readily determine when the three years from the date of the original gauge has expired as to any lot described therein.

Where the conditions of the bond have been fulfilled as to the entire quantity of spirits covered by any entry, the entry, and papers belonging thereto, will be detached or removed from the bond.

In case of a *renewal* bond, the bond will also be first charged with any balance ascertained to be due on the previously outstanding bond.

Article 60.

Credits.—The bond so charged will be credited with brandy withdrawn from or lost in special bonded warehouses in the following-named cases and in none other:

(1) Withdrawn from special bonded warehouse, tax paid.
(2) Loss *allowed* on account of leakage or evaporation in warehouse.
(3) Withdrawn for use of the United States.
(4) Withdrawn for export.
(5) Loss *allowed* on account of casualties, etc.
(6) Withdrawn for transfer to manufacturing warehouses.
(7) Withdrawn for transfer and actually deposited in special bonded warehouses *in other districts*, including tax paid to and warehouse leakage allowed by receiving collector, as provided by Art. 56.

For convenience, the several items above noted may be aggregated as to each credit noted on the bond.

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* It will be observed that where brandy is removed from a distillery to a warehouse in *another* district, the bond filed with the collector of the receiving district is to be charged with the spirits so removed, *and not the bond held by the collector in whose district the distillery is situated.*

ARTICLE 61.

OUTSTANDING LIABILITIES.

In keeping the account on the bond as above required, the collector will, on the first of each month, or as occasion may require, ascertain the outstanding balance on each bond by deducting from the total debits the total credits noted thereon. The balance, so ascertained, will then be deducted from the penalty of the bond, and the difference entered in the last column of the account under the head "*excess of penal sum over liability.*"

In case the spirits covered by the bond are received from another district, the outstanding balance so ascertained will at once be reported to the collector of that district as required in Articles 41, 42.

ARTICLE 62.

TRANSFER OF GRAPE BRANDY FROM SPECIAL BONDED WAREHOUSE TO MANUFACTURING WAREHOUSE.

By section 14 of an act entitled "An act to amend the laws relating to internal revenue," approved May 28, 1880, authority is conferred upon any manufacturer of medicines, preparations, compositions, perfumeries, cosmetics, cordials, and other liquors for export, manufacturing the same in a duly constituted warehouse, to withdraw from any distillery warehouse as much distilled spirits as he may require for said purpose without payment of the internal-revenue tax thereon; and section 15 of the same act provides for an allowance for leakage or loss by any unavoidable accident, and without any fraud or negligence of the distiller, owner, exporter, carrier, or their agents or employés, occurring during transportation from a distillery warehouse to a manufacturing warehouse.

After a careful examination of the various statutes relating to the transfer of distilled spirits from distillery warehouses to manufacturing warehouses, it is held that, to carry into effect the evident purpose and intent of Congress, the words "*distillery warehouse,*" as employed in section 14 of the above named act, should be construed as embracing the special bonded warehouses authorized by the act of March 3, 1877, and the act of October 18, 1888, for the storage of brandy.

The regulations governing withdrawals from distillery warehouses for transfer to manufacturing warehouses and for the allowance of leakage in transit to such warehouses are prescribed in Series 7, No. 4, revised October 27, 1885 (Arts. 83 to 98), and hereby made applicable to withdrawals from warehouses established for the storage of brandy for transfer to manufacturing warehouses.

ARTICLE 63.

In making their reports on Forms A 86½ and A 87, revised, store-keepers will specify the purpose for which the spirits are withdrawn, and

otherwise treat the withdrawals as withdrawals for exportation, and collectors will report such withdrawals in their bonded account (Form A 94, revised), under the appropriate heading, and in accordance with instructions contained in Article 76.

ARTICLE 64.

REMOVALS FOR EXPORT.

Section 5 of the act of March 3, 1877, before quoted, provides:

And in case the brandy is intended for exportation, an engraved stamp indicative of such intention shall be affixed to each package so removed, as in the case of spirits withdrawn from a distillery bonded warehouse for exportation, under the provisions of section thirty-three hundred and thirty, Revised Statutes; all the provisions of which section not inconsistent with this act are hereby made applicable to such withdrawals.

The act (sec. 6) also provides:

That the provisions of existing law in regard to the exportation of distilled spirits are hereby extended so as to permit the exportation from special bonded warehouses of grape * brandy free of tax in any original cask containing not less than twenty gallons.

The regulations and instructions governing the exportation of distilled spirits from distillery bonded warehouses, under the provisions of section 3330, United States Revised Statutes, are those designated as Series 7, No. 4, revised. All the provisions of said regulations not inconsistent with the act under which these regulations are prescribed are hereby made applicable to withdrawals of brandy from special bonded warehouses for exportation.

ARTICLE 65.

REMOVALS FROM SPECIAL BONDED WARHOUSES ON PAYMENT OF THE TAX.

When the owner of brandy deposited in a special bonded warehouse desires the same to be withdrawn upon payment of the tax, he will file with the collector the following notice and request in duplicate. (Form 179, now used for the withdrawal of distilled spirits, will be furnished on requisition, for the withdrawal of brandy, and should, in such cases, be modified so as to agree with Form A 179, here prescribed):

FORM A 179. [Part 1.

UNITED STATES INTERNAL REVENUE.

Notice, etc., as to Brandy to be Withdrawn from Special Bonded Warehouse—Tax Paid.

———, ———, 188—.

——— ———,

Collector —— *District of* ———:

SIR: The undersigned, owner- of ——— packages of brandy, serial numbers ——, deposited in special bonded warehouse No. ——, desire- to withdraw the same upon

* Extended also to other fruit brandy by act of October 18, 1888.

payment of the tax upon the quantity ascertained by a regauge at this time (or "by the original guage," as the case may be), and as provided by law, and hereby request that such spirits be (or as the case may be, "not") regauged.

(Signed) ——— ———.

Article 66.

Upon receipt of the notice, when the request is that the brandy be regauged, the collector will append to the notice, or indorse thereon, his order to the gauger directing him to regauge the spirits, and to mark upon each package so regauged the number of gauge or wine-gallons and proof-gallons therein contained. This order should be in the following form:

Form A. 179. [Part 2.

Office of Collector of Internal Revenue,
——— *District of* ———, ———, 188–.

Sir: You will proceed to the special bonded warehouse No. ——— of ——— ———, at ———, and there inspect and gauge, according to law and regulations, the spirits which ——— ——— desire to withdraw upon payment of the tax. You will mark upon each package so regauged the number of gauge or wine-gallons and proof-gallons therein contained; and you will make report of your gauging on the certificate hereunto appended, and sign and deliver the same to applicant.

———,
Collector.

To ——— ———,
Gauger.

The operations of gauging and marking will be performed with all the care and completeness exercised in the performance of the original gauging and marking and in accordance with instructions contained in Regulations, Series 7, No. 11, Revised.

Article 67.

Form A. 179. [Part 3.

REPORT OF GAUGER.

I hereby certify that the following-described ——— * brandy, viz: (Give in this blank the contents as shown by the original marks and brands.)

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine-gallons.	Degree of proof.	Proof-gallons.	Taxable gallons.	Amount of tax.

* Here state kind of brandy, whether apple, peach, or grape. If more than one kind, the quantity of each kind should be stated separately in the tabulated statement.

produced and deposited in special bonded warehouse No. ——, by ——— ———, on the —— day of ———, 18—, have been inspected and gauged by me this —— day of ———, 188–, and found to be as follows:

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine-gallons.	Degree of proof.	Proof-gallons.	Taxable gallons.	Amount of tax.

And I further certify that the difference between the quantity as shown by the original marks and stamps on the casks, and the quantity as shown by my inspection, made in pursuance of your order of ———, 188–, is ——— wine, ——— proof, and ——— taxable gallons.

——— ———,
United States Gauger.

To ——— ———.
Collector.

The gauger, having made certificate of his inspection on each copy of the order, will deliver the same to the applicant, who will indorse upon them an entry of withdrawal in the form hereinafter prescribed.

Article 68.

Allowance for loss of grape brandy while in warehouse will be made under the limitations and in accordance with the requirements of section 17 of the act of May 28, 1880, and Regulations, Series 7, No. 11, Revised.

If there is no request for a regauge, no allowance for loss will be made, nor will the report of the gauger on the above form be required.

Article 69.

The form of the withdrawal entry will be as follows:

Form A. 179. [Part 4.

ENTRY FOR WITHDRAWAL OF BRANDY FROM WAREHOUSE—TAX-PAID.

Entry of ———* brandy to be withdrawn, on payment of the tax, from special bonded warehouse number ——, situated in the ——— district of ———, by ——— ———, deposited on the —— day of ———, anno Domini 188–, ——— ———, by ——— ———, in said warehouse, viz: Number of casks or packages, ———. Serial numbers of cask or packages, ———. Serial numbers of warehouse stamps, ———.

* Here state kind. If entry covers more than one kind the quantity of each kind should be reported separately in the tabulated statement.

Contents.

When deposited in warehouse.						When application for withdrawal made.			
Wine-gallons.	Proof-gallons.		Taxable gallons.	Amount of tax.		Wine-gallons.	Proof-gallons.		Taxable gallons.

Dated at ——, this —— day of ——, A. D. 188–.

—— ——.

Article 70.

On the payment of the tax the collector will indorse upon a copy of said entry an order to the officer in charge of the warehouse, for the delivery of the spirits specified in the entry, in the following form, viz:

Form A. 179. [Part 5.

Office of Collector of Internal Revenue,
—— *District of the State of* ——, ——, 188–.

Sir: The full amount of taxes due and owing on the brandy described in the within entry of withdrawal having this day been paid to me, and the proper allowance under section 17, act of May 28, 1880, having been made, you are hereby directed to deliver said brandy to Mr. —— ——.

—— ——,
Collector.

To Mr. —— ——,
Store-keeper, ——.

When brandy is withdrawn from special bonded warehouse, either upon payment of the tax, or free of tax, the reports of the gauger on Forms 59, 59*a*, 176, or 205 will be in accordance with such instructions on pages 41 and 42 of Series 7, No. 11, Revised, as are applicable to the case.

Article 71.

Whenever the foregoing order is received by the storekeeper from the collector for the removal from any special bonded warehouse of any cask of brandy on which the tax has been paid upon the contents as shown by the original gauge, the gauger on duty at said warehouse shall, in the presence of the storekeeper and before such cask has left

the warehouse, place upon the head thereof, in such manner as to cover no portion of any brand or mark prescribed by law already placed thereon, the tax-paid stamp indicating the payment of the tax on the spirits in the cask, as shown by the original gauge at the distillery; and, at the time of affixing the tax-paid stamp, the gauger shall, in the presence of the storekeeper, cut or burn upon each cask the date of the payment of the tax and the number of the stamp. This brand may be abridged in the following manner:

T. P. Dec. 5, 1878. Stamp, 79976.

The letters and figures constituting this brand or mark must not be less than half an inch in length. The stamp will be canceled in the same manner as tax-paid stamps affixed to packages withdrawn from a distillery warehouse are canceled.

Article 72.

When the brandy is withdrawn upon payment of the tax under a *reguage*, in accordance with the provisions of section 17 of the act of May 28, 1880, the marking, branding, and stamping of each cask will be in accordance with the requirements of Regulations, Series 7, No. 11, Revised, governing the matter.

Article 73.

PROCEEDINGS UPON BONDS FOR ANY BREACH.

In case of failure to comply with the condition of any of the bonds provided for in these regulations, the collector must immediately report the fact to the Commissioner of Internal Revenue and, if instructed to commence suit, will forward the bond, Form 234 or Form 235, with a statement of the facts in the case, to the United States district attorney for the proper district for suit. In case the bond is on Form 235 the triplicate bond will be forwarded as required in Article 28.

Article 74.

CANCELLATION OF BONDS.

Bonds Forms A1, A4, and A8, of Regulations, Series 7, No. 5, dated February 5, 1881, and bonds Forms 234 and 235, herein prescribed, will in no case be canceled. The collector may, however, when requested and when the facts justify it, give a certificate that, so far as known to him, the conditions of the bond have been fulfilled.

The bonds, Form A6, prescribed in said regulations of February 5, 1881, as also bonds covering brandy removed from special bonded warehouses to manufacturing warehouses, or for export, should be canceled

and disposed of in the manner prescribed in the Regulations under which they are taken.

ARTICLE 75.

ABATEMENT OR REFUNDING OF TAXES ON BRANDY IN BOND DESTROYED BY CASUALTY.

By the terms of the act of March 3, 1877, relating to the production of fruit brandy, etc., the provisions of the then-existing law relative to an allowance of loss by casualty in a distillery bonded warehouse were made applicable to brandy stored in special bonded warehouses, in accordance with the provisions of that act.

The regulations concerning the abatement or refunding of taxes on distilled spirits destroyed by casualty in a distillery bonded warehouse (to be found in appendix to Regulations, Series 7, No. 7, Revised), are, under the authority conferred in the aforesaid act and the act of October 18, 1888, hereby made applicable to brandy stored in special bonded warehouses according to law.

ARTICLE 76.

BONDED FRUIT-BRANDY ACCOUNT.

Every collector in whose district brandy made exclusively from grapes, apples, or peaches is removed for deposit in a special bonded warehouse is required to render a monthly account of all such brandy to the Commissioner of Internal Revenue, to be adjusted monthly, so as to exhibit a true statement of the liability and responsibility of every such collector on this account. Said account, made on Form A 94, revised, will be transmitted with the accompanying vouchers to the Commissioner of Internal Revenue on or before the tenth day of the month immediately succeeding that for which the account is rendered. The first page of this account on Form A 94, revised, will be in the form of an account current, and will show as follows:

(1) Amount removed for export and unaccounted for as per last report. This amount will be brought forward from line 29 of the preceding monthly statement.

(2) Amount lost by casualty, etc., not allowed at the end of the last month, to be brought forward from line 30 of the preceding monthly statement.

(3) Amount withdrawn for transfer to manufacturing warehouse and unaccounted for last month, to be brought forward from line 31 of preceding monthly statement.

(4) Amount withdrawn for transfer to special bonded warehouses in other districts and unaccounted for last month, brought forward from line 32 of preceding monthly statement.

(5) Amount withdrawn for transfer to special bonded warehouses in

the same district and remaining unaccounted for last month, from line 33 of the preceding monthly statement.

(6) Amount remaining in special bonded warehouses at the end of last month, from line 34 of the preceding monthly statement.

(7) Brandy deposited in special bonded warehouse during the month from distilleries in the district, as per detailed statement No. 3.

(8) Brandy deposited during the month in special bonded warehouses from distilleries in other districts, as per detailed statement No. 7.

(9) Brandy deposited during the month in special bonded warehouses received from special bonded warehouses in other districts, as per detailed statement No. 8.

(10) In red ink number of gallons received from each district, making total on line 9.

These nine items complete the debit side of the account.

The items shown on the credit side of the account are as follows:

(11) Brandy withdrawn from special bonded warehouse, tax paid, as per detailed statement No. 9.

(12) Loss allowed on account of leakage or evaporation in warehouse under section 17 of the act of May 28, 1880, as per detailed statement No. 10.

(13) Brandy withdrawn under section 3464, Revised Statutes, as per detailed statement No. 11.

(14) Brandy withdrawn for export (short entry; the quantity to be stated before the words "tax gallons"), as per statement No. 12.

(15) Loss allowed on account of leakage in transportation for export, as per statement No. 13.

(16) Tax paid on deficiencies in export, as per detailed statement No. 14.

(17) Exported and accounted for, as per statement No. 15.

(18) Reported as lost by casualties or removed otherwise than according to law (short entry), as per detailed statement No. 16.

(19) Tax paid on brandy heretofore reported lost by casualties, etc., as per detailed statement No. 17.

(20) Loss allowed on account of casualties, etc., as per statement No. 18.

(21) Brandy withdrawn from special bonded warehouse for transfer to manufacturing warehouse (short entry), as per detailed statement No. 19.

(22) Loss allowed on account of leakage in transfers to manufacturing warehouse as per statement No. 20.

(23) Tax paid on deficiencies in transfers to manufacturing warehouse, as per detailed statement No. 21.

(24) Deposited in manufacturing warehouse, as per detailed statement No. 22.

(25) Brandy withdrawn for transfer from one special bonded warehouse to another special bonded warehouse in the same district (short entry), as per detailed statement No. 23.

(26) Deposited in second special bonded warehouse in same district (short entry), as per statement No. 24.

(27) Brandy withdrawn from special bonded warehouse for transfer to another special bonded warehouse in another district (short entry), as per statement No. 25.

(28) Brandy deposited in second special bonded warehouse in other districts [here insert the name of the district], as per detailed statement No. 26. If deposits are made in two or more districts, state at foot of page in red ink the number of gallons deposited in each district, making the total on line 28. Refer to the foot note by an asterisk (*). (See Art. 77.)

(29) Withdrawn for export and remaining unaccounted for at the end of the month, as per statement No. 27.

(30) Lost by casualty etc., not allowed and unaccounted for at the end of the month, as per detailed statement No. 28.

(31) Withdrawn for transfer to manufacturing warehouse and unaccounted for as per statement No. 29.

(32) Withdrawn for transfer to special bonded warehouse in other districts and unaccounted for as per statement No. 30.

(33) Withdrawn for transfer to special bonded warehouse in same districts and unaccounted for as per statement No. 31.

(34) Remaining in special bonded warehouse at close of the month as per statement No. 32.

The foregoing account current on first page of Form A 94, gives the operations at special bonded warehouses, in addition to which a statement should be given at top of last page, treating the removals of brandy from distilleries for deposit in special bonded warehouses as follows:

For the debit part of the account:

(1) Balance brought foward from line 9 of last statement being brandy removed under bonds A 4, or No. 235, from distilleries for deposit in special bonded warehouses in same district, but not received at said warehouses at the end of the preceding month.

(2) Balance brought forward from line 10 of last statement being brandy removed under bonds A 6, or No. 235, from distilleries for deposit in special bonded warehouses in another district, remaining unaccounted for at the end of last month.

(3) Removals from distilleries during the month under bonds A 4, or No. 235, for deposit in special bonded warehouses in same district as per detailed statement No. 1.

(4) Removals from distilleries during the month under bonds A 6, or No. 235, for deposit in special bonded warehouses in another district, as per detailed statement No. 2.

For the credit part of the account:

(7) Receipts in warehouses from distilleries in same district under bonds A 4, or No. 235, as per statement No. 3.

(8) Receipts in warehouses from distilleries in other districts under bonds A 6, or No. 235, as per statement No. 4.

(9) Balance of brandy in transit from distilleries in some district under bonds A 4, or No. 235, as per statement No. 5.

(10) Balance of brandy in transit from distilleries in other districts under bonds A 6, or No. 235, as per statement No. 6.

DETAILED STATEMENTS.

For every entry on the account on first page of Form A 94, and on the statement at top of last page of said form a detailed statement is required except for entries on lines 1, 2, 3, 4, 5 and 6 of first page, and on lines 1 and 2 of last page.

The detailed statements required for each of the other lines must be given on the inside pages of Form A 94, using inside sheets when necessary, as in case of assessment lists Forms 23 A and 23 B. Each statement is indicated by its proper number in bold black face figures on each line of statements Nos. I and II.

In giving the detailed statement these numbers must not be changed; if for instance the proper detailed statement No. 10 for entry on line 12 first page is given, but no entries for lines 13 to 33 are to be made, the next detailed statement of "Balance remaining in special bonded warehouse at close of the month" must be numbered 32 and not 11.

Detailed statements must be given in their regular consecutive order, under an appropriate heading written across the page in red ink, commencing with statement No. 1, at the top of page 2 of Form A 94, and ending with statement No. 32 on the last inside sheet.

If there are on any one bond two or more items of deposit or withdrawals of the same kind during the month, the collector will add these items together and give in the appropriate detailed statement only the aggregate of such items.

In districts where there are two or more special bonded warehouses the items appertaining to each warehouse must be given separately, and at the end of each statement a recapitulation must be made giving the aggregates for each warehouse and the totals for all the warehouses.

The data required for each item of the different detailed statements are indicated by the printed headings of each column and are the same except as to columns 6 and 7 headed "Date."

From column 1 to 6 these data are:

(1) Number of bond.
(2) Name of distiller.
(3) Distillery, number, district.
(4) Number of packages.
(5) Serial number of packages.
(6) Taxable gallons.

The dates to be inserted in columns 7 and 8 are as follows:

For statements Nos. 1, 2, 4, 5, 6, and 24:
- Column 7, date of bond.
- Column 8, date of deposit in special bonded warehouse.

Statements Nos. 3, 7, and 8:
- Column 7, date of bond.
- Column 8, date of original gauge.

Statements Nos. 9 and 10:
- Column 7, date of payment of tax.
- Column 8, date of withdrawal.

Statement No. 11:
- Column 7, date of secretary's permit.
- Column 8, date of withdrawal.

Statements Nos. 12, and 27:
Column 7, date of export bond.
Column 8, date of withdrawal.
Statement No. 13:
Column 7, date of export bond.
Column 8, date of commissioner's letter allowing loss.
Statement No. 14:
Column 7, date of export bond.
Column 8, date of payment of tax.
Statement No. 15:
Column 7, date of export bond.
Column 8, date of cancellation of export bond.
Statement No. 16:
Colnmn 7, date of bond.
Column 8, date of loss.
Statement No. 17:
Column 7, date of Commissioner's letter authorizing credit.
Column 8, date of payment of tax.
Statement No. 18:
Column 7, date of casualty.
Column 8, date of Commissioner's letter announcing Secretary's allowance.
Statement No. 19:
Column 7, date of bond, Form I.
Column 8, date of withdrawal.
Statement No. 20:
Column 7, date of bond, Form I.
Column 8, date of Commissioner's letter authorizing allowance.
Statement No. 21:
Column 7, date of bond, Form I.
Column 8, date of payment of tax.
Statement No. 22:
Column 7, date of bond, Form I.
Column 8, date of certificate of collector of customs.
Statements Nos. 23, 25, 31:
Column 7, date of bond.
Column 8, date of withdrawal.
Statement No. 26:
Column 7, date of bond.
Column 8, date of store-keeper's receipt on distiller's entry.
Statement No. 28:
Column 7, date of bond.
Column 8, date of A 94 when first reported.
Statement No. 29:
Column 7, date of bond, Form I.
Column 8, date when time on bond expires.
Statement No. 30:
Column 7, date of bond given in other districts.
Column 8, date of withdrawal.
Statement No. 32:
Column 7, date of bond.
Column 8, date when tax on oldest spirits becomes due.

The totals of column 6 of each statement will be transferred to the proper lines on first page of Form A 94. and on the statement at the last page but one.

If any brandy in any special bonded warehouse is withdrawn, tax-paid entries under an appropriate heading on the first left-hand page following the page on which is entered the totals of "Receipts during the month of brandy bonded at warehouse in other districts" will be made and continued on left-hand pages, leaving the right-hand pages to be devoted to leakages on the brandy reported on the left-hand page.

If allowance under section 17, act of May 28, 1880, is made during the month on brandy withdrawn, tax-paid entries will be made under an appropriate heading, in red ink, written across the top of the right-hand page opposite the left-hand page on which the tax-paid withdrawals are rendered. Entries only in column 6 need be made, as the description is already given on the left-hand page. Great care must be taken, however, to enter the leakage on the line on which the corresponding tax-paid withdrawal is reported.

If warehouse leakage is allowed on brandy withdrawn (1) for export, (2) for transfer to manufacturing warehouse, (3) for use of the United States, the details of such leakage will be entered under an appropriate heading written across the page under the total withdrawn for export, or for transfer to manufacturing warehouse, or for use of the United States, as the case may be, and the total of column 6, in each case, carried to the total of warehouse leakage on tax-paid withdrawals, and the total of all such leakages carried into line 12 of the first page.

Unless the warehouse leakage allowed on withdrawals for export, for transfer to manufacturing warehouse, or for use of the United States is stated on the right-hand page, as in the case of tax paid withdrawals (which course is not advised), the number of bond, number of warehouse (if more than one in the district), name of distiller and number of distillery, number and serial numbers of packages withdrawn, and dates in columns 7 and 8 must be repeated in columns 1, 2, 3, 4, 5, 7, and 8, on the line on which the leakage is stated in column 6.

The last page of Form A 94 will be devoted to a restatement of brandy deposited or withdrawn as to its kind—that is, whether grape, apple, or peach brandy.

Article 77.

The quantity entered on line 28 must equal the aggregate of the quantities entered on line 9–10 by each of the receiving collectors in their reports (Form A 94) for the same month. To insure this agreement each receiving collector will, on the last day of each month, forward to each collector from whom he has received brandy a detailed statement of the quantity received from such collector during the month, and such collector will take credit accordingly. If such statement can not be sent by mail in time to reach the shipping collector before he makes up his account for the month, *i. e.*, the 10th day of the succeeding month, the receiving collector will telegraph the quantity so received. In case the vouchers (Form 236) covering the shipments as

given in the letter or telegram are not received by the shipping collector before the account is forwarded, they will be forwarded subsequently with a memorandum attached showing the account to which they belong. Copies of the letters and telegrams should be forwarded with the accounts.

Whenever a package of brandy is removed from one warehouse for transfer to another warehouse the account with the first warehouse will be credited with the package and its contents, as shown by the original gauge (see Arts. 32 and 33), and whenever a package is received into a warehouse, this warehouse account will be charged with the contents as shown by the original gauge. When the collector in charge of the receiving warehouse finds it necessary to collect the tax on the package immediately upon its arrival (see Arts. 38, 49, 51, and 56), the charge in the account of the receiving warehouse will be immediately offset by the credit growing out of such collection.

Article 78.

DRAWBACK.

The aforesaid acts of March 3, 1877, and October 18, 1888, provide for the exportation of brandy upon which all taxes have been paid, with the privilege of drawback, in quantities of not less than 100 gallons, and in the distillers' original casks, containing not less than 29 gallons each. Any person intending to export brandy, upon which the tax has been paid, for the benefit of drawback, under the provisions of said acts, must present to the collector of customs for the port of entry from which such exportation is to be made, an application in duplicate, setting forth his intention to export the articles prescribed therein; such notice should be filed at least six hours previous to the time for inspection, gauging, and lading the brandy intended for export, and should be on the form prescribed in the regulations of the Secretary of the Treasury relative to the allowance of drawback on distilled spirits, approved July 2, 1877, and published as an appendix to the regulations known as Series 7, No. 7, all the requirements and provisions of which regulations relative to drawback not inconsistent with the provisions of the said acts, are hereby made applicable to claims for the allowance of drawback on brandy.

Article 79.

WHEN REGULATIONS TAKE EFFECT.

So much of the foregoing regulations as relate to the establishment of special bonded warehouses will take effect May 1, 1889; and the remaining portion will take effect July 1, 1889, and will apply to all brandy thereafter bonded, or rebonded, for storage in or transfer to special bonded warehouses.

All brandy remaining in special bonded warehouses, or withdrawn therefrom, under bonds, taken under regulations, Series 7, No. 5, of February 5, 1881, and Circular No. 321, of November 5, 1888, will be reported on the same bonded account, Form A 94, and in like manner as brandy bonded on and after July 1, 1889, except that the vouchers forwarded with that account for such brandy will be those prescribed in said regulations of February 5, 1881.

JOS. S. MILLER,
Commissioner.

Approved.

C. S. FAIRCHILD,
Secretary.

SUPPLEMENT No. 1.

Series 7, No. 5, Revised.

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

THE ESTABLISHMENT OF SPECIAL BONDED WAREHOUSES

FOR THE STORAGE OF

BRANDY

MADE FROM

APPLES, PEACHES, OR GRAPES EXCLUSIVELY,

AND THE

TRANSPORTATION AND EXPORTATION THEREOF IN BOND,

AND

EXPORTATION WITH DRAWBACK.

APRIL 5, 1890.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

TREASURY DEPARTMENT.
Document No. 1312.
Internal Revenue.

55277

Series 7, No. 5, Revised.

SUPPLEMENTAL No. 1.

REGULATIONS

CONCERNING THE

ESTABLISHMENT OF SPECIAL BONDED WAREHOUSES FOR THE STORAGE OF BRANDY MADE FROM APPLES, PEACHES, OR GRAPES EXCLUSIVELY, ETC.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, April 5, 1890.

The regulations of this office (Series 7, No. 5, revised) of January 4, 1889, relating to the establishment of special bonded warehouses for the storage of brandy made from apples, peaches, or grapes exclusively, are hereby amended as follows:

Article 23 is amended by adding thereto the following:

In case of withdrawal of brandy from warehouse the purpose for which the withdrawal is made must, in every case, be stated on Form A 86½ *in the column headed,* "FOR WHAT PURPOSE WITHDRAWN;" *and in case of withdrawal of brandy for deposit in another warehouse the warehouse and district should also be specified.* Abbreviations may be used in such cases, as *S. B. W. H., No.* 1, *of* 4 *Cal.*

Article 28. The Transportation and Warehousing Bond, Form 235, prescribed in said article is amended as follows:

FORM 235—REVISED.

TRANSPORTATION AND WAREHOUSING BOND.

Know all men by these presents, That we, ——— ———, ——— ———, as principal—, and ——— ———, ——— ———, as sureties, are held and firmly bound unto the United States of America in the full and just sum of —— thousand dollars, lawful money of the United States; to which payment, well and truly to be made, we bind ourselves, jointly and severally, our several heirs, executors, and administrators, firmly by these presents.

Sealed with our seals, and dated this —— day of ———, A. D., 189 .

The condition of the foregoing obligation is such, that, whereas the above bounden principal intends to deposit in the following-named special bonded warehouses located in the ——— collection district, State of ———, to wit:

Warehouse No. —— of ———, at ———;
Warehouse No. —— of ———, at ———;
Warehouse No. —— of ———, at ———;
Warehouse No. —— of ———, at ———;

certain brandy produced, or that may hereafter be produced, at his distillery No. ——, located at ———, in the ——— collection district, State of ———.

Now, therefore, if the aforesaid principal shall as to all such brandy removed from the said distillery, or from either of said special bonded warehouses, for deposit in said special bonded warehouses, or in either of them, or removed from either of said warehouses for deposit in any special bonded warehouse in another collection district, safely transport to and deliver the same in the warehouse in which such deposit is to be made, within the time and in the manner required by the internal-revenue laws and regulations issued pursuant thereto; and shall, as to all brandy produced at said distillery and deposited or redeposited by him in either of the special bonded warehouses hereinbefore designated by name and number, safely store the same therein, and shall well and faithfully comply with all the requirements of said laws and regulations pertaining thereto; and if the said principal shall, as to all brandy hereafter so removed for deposit in the warehouses so designated,* and as to all brandy heretofore so removed for deposit in said warehouses since the† —— day of ———, 189—, and not lawfully removed therefrom,* well and truly pay unto the collector of internal revenue for the district in which said warehouses are located the tax due on such brandy as specified in his entry, or cause the same to be paid within three years from the date of the original gauging of the same, and before withdrawal, except as otherwise provided by law, then this obligation to be void; otherwise to remain in full force and virtue.

——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]
——— ——— [SEAL.]

Signed, sealed, and delivered in presence of—

——— ———.
——— ———.
——— ———.
——— ———.

State of ———, *county of* ———, *ss:*

I hereby certify that on this —— day of ———, one thousand eight hundred and ninety-——, before me personally came ——— ———, ——— ———, known to me to be the individuals described in and who

† In case of a *renewal* bond, or where brandy remaining in either of the warehouses designated and deposited therein prior to July 1, 1889, is to be *rebonded*, the date to be here inserted will be that of the bond under which the first entry of such brandy was made; otherwise the clause included in asterisks (* *) will be stricken out.

executed the above bond, and severally acknowledged that they executed the same.

[SEAL.] ——— ———.

Collectors will hereafter refuse to accept any transportation and warehousing bond unless executed in strict conformity with the foregoing bond. Blank forms of the bond here prescribed will be furnished to collectors for use in their respective districts upon application therefor to this office.

Article 33. Strike out the words "and also a detailed report of his gauge on Form 59½" immediately preceding Part 2 of Form 236, and substitute therefor the following:

The gauger will also report the package so gauged in detail on the inside page or pages of Form 236.

Article 43. Insert after the word "*notice*" in third line the words—

Or upon detailing a gauger to gauge the month's production.

Article 46. Insert after the word "received" in seventh line the following:

(*To be transmitted by said collector to the Commissioner of Internal Revenue with Form A* 94, *on which credit is taken for such spirits.*)

Articles 47 to 56, inclusive—

Substitute *Form* 245 for "Form 236" wherever the last-named form is referred to.

NOTE.—The Form 245 above referred to is a modification of Form 236, Part 1 being the distiller's "ENTRY FOR WITHDRAWAL FROM WAREHOUSE FOR TRANPORTATION AND DEPOSIT IN WAREHOUSE;" Part 2, "ORDER ON STOREKEEPER FOR REMOVAL FROM WAREHOUSE TO WAREHOUSE UNDER ARTS. 47 TO 53;" Part 3, "CERTIFICATE OF DELIVERY OF BRANDY FOR TRANSFER TO SPECIAL BONDED WAREHOUSE;" and Part 4, "STOREKEEPER'S RECEIPT FOR BRANDY."

Blank forms, No. 245, will be furnished to collectors on requisition, and are to be used *exclusively* in cases of removal of brandy from one special bonded warehouse to another special bonded warehouse. Form 236 will hereafter be used only in cases of removal of brandy from a *distillery* to a special bonded warehouse.

Article 58. Strike out the words "the gauger's report (Part 2, Form 236) and the distiller's entry (Part 3, Form 236)," in last paragraph under the head of "DEBITS," and substitute therefor the words and figures—

"*Form* 236 *or Form* 245."

Article 59. Strike out the words "of the gauger's report, the distiller's

entry, and the storekeeper's receipt (Form 236)," in lines 2 and 3, and substitute therefor the following:

"*Form* 236 *or Form* 245."

Article 76. After the first paragraph on page 33, strike out all that follows to first paragraph on page 38, and substitute therefor the following:

DEBITS.

(1) Amount removed for export and unaccounted for as per last report. This amount will be brought forward from line 29 of the preceding monthly statement.

(2) Amount lost by casualty, etc., not allowed at the end of the last month, to be brought forward from line 30 of the preceding monthly statement.

(3) Amount withdrawn for transfer to manufacturing warehouse and unaccounted for last month, to be brought forward from line 31 of preceding monthly statement.

(4) Amount withdrawn for transfer to special bonded warehouses in other districts and unaccounted for last month, brought forward from line 32 of preceding monthly statement.

(5) Amount withdrawn for transfer to special bonded warehouses in the same district and remaining unaccounted for last month, from line 33 of the preceding monthly statement.

(6) Amount remaining in special bonded warehouses at the end of last month, from line 34 of the preceding monthly statement.

(7) Brandy deposited in special bonded warehouse during the month from distilleries in the district, as per detailed statement No. 3.

(8) Brandy deposited during the month in special bonded warehouses from distilleries in other districts, as per detailed statement No. 7.

(9) Brandy deposited during the month in special bonded warehouses received from special bonded warehouses in other districts, as per detailed statement No. 8.

(10) Where the amount reported on line 9 includes brandy received from more than one district, the aggregate quantity received from *each* district will be reported in *red ink* on blank line 10, and outside of the ruled columns (as 5,000 Galls., 1st Cal.; 3,000 Galls., 4th Cal., etc.).

CREDITS.

The items shown on the credit side of the account are as follows:

(11) Brandy withdrawn from special bonded warehouse, tax paid, as per detailed statement No. 9.

(12) Loss allowed on account of leakage or evaporation in warehouse under section 17 of the act of May 28, 1880, as per detailed statement No. 10.

(13) Brandy withdrawn under section 3464, Revised Statutes, as per detailed statement No. 11.

(14) Brandy withdrawn for export (short entry; the quantity to be stated before the words "tax gallons"), as per detailed statement No. 12.

(15) Loss allowed on account of leakage in transportation for export, as per detailed statement No. 13.

(16) Tax paid on deficiencies in export, as per detailed statement No. 14.

(17) Exported and accounted for, as per detailed statement No. 15.

(18) Reported as lost by casualties or removed otherwise than according to law (short entry), as per detailed statement No. 16.

(19) Tax paid on brandy heretofore reported lost by casualties, etc., as per detailed statement No. 17.

(20) Loss allowed on account of casualties, etc., as per detailed statement No. 18.

(21) Brandy withdrawn from special bonded warehouse for transfer to manufacturing warehouse (short entry), as per detailed statement No. 19.

(22) Loss allowed on account of leakage in transfers to manufacturing warehouse as per detailed statement No. 20.

(23) Tax paid on deficiencies in transfers to manufacturing warehouse, as per detailed statement No. 21.

(24) Deposited in manufacturing warehouse, as per detailed statement No. 22.

(25) Brandy withdrawn for transfer from one special bonded warehouse to another special bonded warehouse in the same district (short entry), as per detailed statement No. 23.

(26) Deposited in second special bonded warehouse in same district (short entry), as per detailed statement No. 24.

(27) Brandy withdrawn from special bonded warehouse for transfer to another special bonded warehouse in another district (short entry), as per statement No. 25. The names of each district and the quantity transferred to each should be reported separately on such detailed statement.

(28) Brandy deposited in second special bonded warehouse in other districts [here insert the name of the district], as per detailed statement

No. 26. If deposits are made in two or more districts, state at foot of page in red ink the number of gallons deposited in each district, making the total on line 28. Refer to the foot note by an asterisk (*). (See Art. 77.)

(29) Withdrawn for export and remaining unaccounted for at the end of the month, as per detailed statement No. 27.

(30) Lost by casualty, etc., not allowed and unaccounted for at the end of the month, as per detailed statement No. 28.

(31) Withdrawn for transfer to manufacturing warehouse and unaccounted for as per detailed statement No. 29.

(32) Withdrawn for transfer to special bonded warehouse in other districts and unaccounted for as per detailed statement No. 30.

(33) Withdrawn for transfer to special bonded warehouse in same district and unaccounted for as per detailed statement No. 21.

(34) Remaining in special bonded warehouse at close of the month, as per detailed statement No. 32.

The foregoing account current on first page of Form A 94 gives the operations at SPECIAL BONDED WAREHOUSES, in addition to which a statement should be given at top of last page, treating the removals of brandy from *Distilleries* in the district for which the report is made for deposit in special bonded warehouses as follows:

DEBITS.

(1) Balance brought forward from line 9 of last statement being brandy removed under bond No. 235 from distilleries for deposit in special bonded warehouses in *same* district, but not received at said warehouses at the end of the preceding month.

(2) Balance brought forward from line 10 of last statement being brandy removed under bond No. 235 from distilleries for deposit in special bonded warehouses in *another* district, remaining unaccounted for at the end of last month.

(3) Removals from distilleries during the month under bond No. 235 for deposit in special bonded warehouses in *same* district, as per detailed statement No. 1.

(4) Removals from distilleries during the month under bond No. 235 for deposit in special bonded warehouses in *another* district, as per detailed statement No. 2.

The name of each district, and the quantity of brandy so removed to each district, should be reported separately on such detailed statement.

CREDITS.

(7) Receipts in warehouses in this district from distilleries in this district under bond No. 235, as per statement No. 3.

(8) Receipts in warehouses in other districts from distilleries in this district under bond No. 235, as per statement No. 4, in which the names of the receiving districts should be noted.

(9) Balance of brandy in transit from distilleries in same district under bond No. 235, as per statement No. 5.

(10) Balance of brandy in transit from distilleries in this district to warehouses in other districts under bond No. 235, as per statement No. 6.

DETAILED STATEMENTS

For every entry on the account on first page of Form A 94 and on the statement at top of last page of said form a detailed statement is required, except for entries on lines 1, 2, 3, 4, 5, and 6 of first page, and on lines 1 and 2 of last page.

The detailed statements required for each of the other lines must be given on the inside pages of Form A 94, using inside sheets when necessary, as in case of assessment lists, Forms 23 A and 23 B. Each statement is indicated by its proper number in bold black face figures on each line of statements Nos. I and II.

In giving the detailed statement these numbers must not be changed; if, for instance, the proper detailed statement No. 10 for entry on line 12 first page is given, but no entries for lines 13 to 33 are to be made, the next detailed statement of "Balance remaining in special bonded warehouse at close of the month" must be numbered 32 and not 11.

Detailed statements must be given in their regular consecutive order, under an appropriate heading written across the page in red ink, commencing with statement No. 1 at the top of page 2 of Form A 94, and ending with statement No. 32 on the last inside sheet.

If there are on any one bond two or more items of deposit, or withdrawal, of the same kind during the month, the collector will add these items together and give in the appropriate detailed statement only the aggregate of such items.

In districts where there are two or more special bonded warehouses the items appertaining to *each warehouse* must be given separately, and at the end of each statement a recapitulation must be made giving the aggregates for each warehouse and the totals for all the warehouses.

Where shipments are made to other districts the districts should be designated in the red-ink headings.

The data required for each item of the different detailed statements are indicated by the printed headings of each column, and are the same, except as to columns 6 and 7, headed "Date."

From column 1 to 6 these data are:

(1) Serial number of bond.*
(2) Name of distiller.
(3) Distillery, number, district.
(4) Number of packages.
(5) Serial number of packages.
(6) Taxable gallons.

The dates to be inserted in columns 7 and 8 are as follows:

For statements Nos. 1, 2, 4, 5, 6, and 24:

Column 7, date of bond. Form 235 taken in this district as to 1, 5, and 24; taken in the receiving district as to 2, 4, and 6.

Column 8, date of deposit in special bonded warehouse.

Statements Nos. 3, 7, and 8:

Column 7, date of bond. Form 235 taken in this district.

Column 8, date of original gauge.

Statements Nos. 9 and 10:

Column 7, date of payment of tax.

Column 8, date of withdrawal.

Statement No. 11:

Column 7, date of Secretary's permit to withdraw for use of United States.

Column 8, date of withdrawal.

Statements Nos. 12 and 27:

Column 7, date of export bond, covering the brandy withdrawn.

Column 8, date of withdrawal.

Statement No. 13:

Column 7, date of export bond, covering packages as to which leakage in transportation occurs.

Column 8, date of Commissioner's letter allowing loss.

Statement No. 14:

Column 7, date of export bond, covering packages in which the loss during transportation occurs.

Column 8, date of payment of tax on the spirits lost in transportation after removal from the warehouse.

Statement No. 15:

Column 7, date of export bond.

Column 8, date of cancellation of export bond.

Statement No. 16:

Column 7, date of bond, Form 235.

Column 8, date of loss or removal.

Statement No. 17:

Column 7, date of Commissioner's letter authorizing credit as to brandy lost by casualty, etc.

Column 8, date of payment of tax on brandy lost by casualty, etc.

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*The collectors will arrange the items in each statement so that these serial numbers will come in regular order from lowest to highest. In case of more than one bond the serial number of the bond taken in the district for which the report is made should be stated.

Statement No. 18:
Column 7, date of casualty.
Column 8, date of Commissioner's letter announcing Secretary's allowance.
Statement No. 19:
Column 7, date of bond, Form II.
Column 8, date of withdrawal.
Statement No. 20:
Column 7, date of bond, Form II.
Column 8, date of Commissioner's letter authorizing allowance.
Statement No. 21:
Column 7, date of bond, Form II.
Column 8, date of payment of tax.
Statement No. 22:
Column 7, date of bond, Form II.
Column 8, date of certificate of collector of customs.
Statements Nos. 23, 25, 31:
Column 7, date of bond. Form 235 in this district.
Column 8, date of withdrawal.
Statement No. 26:
Column 7, date of bond. Form 235 taken by collector who makes the report A 94.
Column 8, date of storekeeper's receipt on Form 245.
Statement No. 28:
Column 7, date of bond. Form 235, covering the brandy lost by casualty or removed.
Column 8, date of A 94 when first reported.
Statement No. 29:
Column 7, date of bond, Form II.
Column 8, date when time on bond expires.
Statement No. 30:
Column 7, date of bond. Form 235 given in other district.
Column 8, date of withdrawal for transfer to another district.
Statement No. 32:
Column 7, date of bond, Form 235.
Column 8, date when tax on oldest spirits becomes due.

The totals of column 6 of each statement will be transferred to the proper lines on first page of Form A 94, and on the statement at the last page ~~but one.~~ Top of

Article 77. Substitute (Form 245) for (Form 236) in last line on page 38.

All detailed statements covering brandy removed to other districts (Statements Nos. 2, 4, and 6, as to removals from distilleries, and Nos. 25, 26, 30, as to removals from warehouses,) should be so subdivided as that all removals to one district shall be kept separate by sub-headings, in red ink, from all removals to other districts.

For instance: In case brandy is sent direct from distilleries in the Fourth district of California to warehouses in the First district of Cali-

fornia, and, also, to the Second district of New York, the red-ink headings of Statement No. 4 will be as follows: The general heading will be, "No. 4.—REMOVALS FROM DISTILLERIES DURING MONTH FOR DEPOSIT IN OTHER DISTRICTS;" the first sub-heading will be, "*Removals to Warehouses in First District of California,*" and the second sub-heading will be, "*Removals to Warehouses in Second District of New York.*" Under the last total, in this case under the total of shipments to the "Second District of New York," a recapitulation will be made, showing the quantity shipped to each district and total shipped to all districts.

JOHN W. MASON,
Commissioner.

Approved:
WILLIAM WINDOM,
Secretary of the Treasury.

(Series 7, No. 5, Revised; Supplement No. 2, Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING THE

WITHDRAWAL OF WINE SPIRITS OR GRAPE BRANDY

FROM

DISTILLERIES AND SPECIAL BONDED WAREHOUSES,

FREE OF TAX,

FOR THE

FORTIFICATION OF PURE SWEET WINES;

ALSO,

From such Warehouses for the Fortification of Wines for Export.

JULY 7, 1891.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1891.

TREASURY DEPARTMENT,
Document No. 1436.
Internal Revenue.

55277

Series 7, No. 5, Revised—Supplement No. 2, Revised.

REGULATIONS

CONCERNING THE

Withdrawal, free of tax, from distilleries and special bonded warehouses of wine spirits or grape brandy, and the use of such spirits or brandy in the fortification of pure sweet wines and in the fortification of wines for export.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, July 7, 1891.

Sections 42, 43, 44, 45, 46, 47, 48, and 49 of the act entitled "An act to reduce revenue and equalize duties on imports, and for other purposes," approved October 1, 1890, provide:

The use tax-free by wine-producer of his distilled wine to preserve sugar in his pure sweet wine under regulations as to notices, bonds, records, and reports;

SEC. 42. That any producer of pure sweet wines, who is also a distiller, authorized to separate from fermented grape-juice, under internal-revenue laws, wine spirits, may use, free of tax, in the preparation of such sweet wines, under such regulations and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products, as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury may prescribe, so much of such wine spirits so separated by him as may be necessary to fortify the wine for the preservation of the saccharine matter contained therein:

under limitations as to alcoholic strength of 14 per cent.;

Provided, That the wine spirits so used free of tax shall not be in excess of the amount required to introduce into such sweet wines in [an] alcoholic strength equal to fourteen per centum of the volume of such wines after such use:

under penalty of forfeiture as to that over 24 per cent.

Provided further, That such wine containing after such fortification more than twenty-four per centum of alcohol, as defined by section thirty-two hundred and forty-nine of the Revised Statutes, shall be forfeited to the United States:

and under limits as to certain months.

Provided further, That such use of wine spirits free from tax shall be confined to the months of August, September, October, November, December, January, February, March, and April of each year. The Commissioner of Internal Revenue, in determining the liability of any distiller of fer-

Assessments under section 3309, credits.

mented grape juice to assessment under section thirty-three hundred and nine of the Revised Statutes, is authorized to allow such distiller credit in his computation for the wine spirits used by him in preparing sweet wine under the provisions of this section.

Wine spirits defined.

SEC. 43. That the wine-spirits mentioned in section fifty-three [42] of this act is the product resulting from the distillation of fermented grape juice, and shall be held to include the product commonly known as grape brandy; and the pure sweet wine which may be fortified free of tax, as provided in said section, is fermented grape-juice only, and shall contain no other substance of any kind whatever introduced before, at the time of, or after fermentation, and such sweet wine shall contain not less than four per centum of saccharine matter, which saccharine strength may be determined by testing, with Balling's saccharometer or must-scale, such sweet-wine, after the evaporation of the spirit contained therein, and restoring the sample tested to original volume by addition of water.

Pure sweet wine is fermented grape juice only, containing not less than 4 per cent. sugar as may be shown by Balling's saccharometer.

Penalty for unlawful use of wine spirits.

SEC. 44. That any person who shall use wine spirits, as defined by section fifty-four [43] of this act, or other spirits on which the internal-revenue tax has not been paid, otherwise than within the limitations set forth in section fifty-five [42] of this act, and in accordance with the regulations made pursuant to this act, shall be liable to a penalty of double the amount of the tax on the wine spirits or other spirits so unlawfully used. Whenever it is impracticable in any case to ascertain the quantity of wine spirits or other spirits that have been used in violation of this act in mixtures with any wines, all alcohol contained in such unlawful mixtures of wine with wine-spirits or other spirits in excess of ten per centum shall be held to be unlawfully used:

In case of doubt 10 per cent. held to be so used.

Provided, however, That if water has been added to such unlawful mixtures, either before, at the time of, or after such unlawful use of wine spirits or other spirits, all the alcohol contained therein shall be considered to have been unlawfully used. In reference to alcoholic strength of wines and mixtures of wines with spirits in this act the measurement is intended to be according to volume and not according to weight.

In case of water added all the alcohol held to be so used.

Alcohol by volume, not by weight.

SEC. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this act may withdraw wine spirts from any special bonded-warehouse free of tax, in original packages, in any quantity not less than eighty wine-gallons, and may use so much of the same as may be required by him, under such regulations, and after the filing of such notices and bonds, and the keeping of such records, and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury shall prescribe, in fortifying

Withdrawal of spirits from warehouse free of tax to fortify pure, sweet wines as provided in sec. 42, not less than 80 wine gallons.

the pure sweet wines made by him, and for no other purpose, in accordance with the limitations and provisions as to uses, amount to be used, and period for using the same set forth in section fifty-three [42] of this act; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized, whenever he shall deem it to be necessary for the prevention of violations of this law, to prescribe that wine-spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying-house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by his regulation shall be stored. The use of wine-spirits free of tax for the fortification of sweet wines under this act shall be begun and completed at the vineyard of the wine-grower where the grapes are crushed and the grape juice is expressed and fermented, such use to be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine-spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

Com. Int. Rev. may require use to be at a certain distance from distillery rectifying house, winery, etc.

Use of spirits free of tax to be at vineyard under supervision of officer who will make return and affix stamps and seals as required by regulations.

Com. Int. Rev. to fix time to inspect fortified wines and to account finally for wine spirits.

SEC. 46. That wine-spirits may be withdrawn from special bonded warehouses at the instance of any person desiring to use the same to fortify any wines, in accordance with commercial demands of foreign markets, when such wines are intended for exportation, without the payment of tax on the amount of wine spirits used in such fortification, under such regulations, and after making such entries, and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security to prevent the use of such wine-spirits free of tax otherwise than in the fortification of wine intended for exportation, and for the due exportation of the wine so fortified, as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and all of the provisions of law governing the exportation of distilled spirits free of tax, so far as applicable, shall apply to the withdrawal and use of wine-spirits and the exportation of the same in accordance with this section; and the Commissioner of Internal Revenue is authorized, subject to approval by the Secretary of the Treasury, to prescribe that wine-spirits intended for the fortification of wines under this section shall not be introduced into such wines except under

Withdrawal of spirits to fortify wines intended for export.

the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Whenever such wine-spirits are withdrawn as provided herein for the fortification of wines intended for exportation by sea they shall be introduced into such wines only after removal from storage and arrival alongside of the vessel which is to transport the same; and whenever transportation of such wines is to be effected by land carriage the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations as to sealing packages and vehicles containing the same, and as to the supervision of transportation from the point of departure, which point shall be determined as the place where such wine-spirits may be introduced into such wines to the point of destination as may be necessary to insure the due exportation of such fortified wines.

Re-importation.

SEC. 47. That all provisions of law relating to the re-importation of any goods of domestic growth or manufacture which were originally liable to an internal-revenue tax shall be, as far as applicable, enforced against any domestic wines sought to be re-imported; and duty shall be levied and collected upon the same when re-imported, as an original importation.

Penalty for using spirits in fortifying wines contrary to law.

SEC. 48. That any person using wine spirits or other spirits which have not been tax-paid in fortifying wine otherwise than as provided for in this act, shall be guilty of a misdemeanor, and shall, on conviction thereof, be punished for each offense by a fine of not more than two thousand dollars, and for every offense other than the first also by imprisonment for not more than one year.

Recovery of spirits used in fortifying wines.

SEC. 49. That wine spirits used in fortifying wines may be recovered from such wine only on the premises of a duly authorized grape-brandy distiller; and for the purpose of such recovery wines so fortified may be received as material on the premises of such a distiller, on a special permit of the collector of internal revenue in whose district the distillery is located; and the distiller will be held to pay the tax on a product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape-juice and that obtained from the added distilled spirits.

In pursuance of the requirements of the above-quoted sections and by virtue of the authority conferred thereby the following regulations are prescribed:

Any producer of sweet wine who desires to use wine spirits, otherwise known as grape brandy, in the fortification of pure sweet wines produced by him will file with the collector of his district a bond in the following form in duplicate. The collector will retain one copy of the bond and forward the other to the Commissioner of Internal Revenue. This bond will be printed with inside pages, on which the collector will keep

an account of all grape brandy removed by the principal for the fortification, whether from his own distillery or from a special bonded warehouse in the district in which his winery is located or in another district. The collector will require the bond to be renewed in case the tax on the quantity withdrawn for use and not actually used exceeds half the penal sum of the bond.

FORM 256.

Bond of wine-maker.

KNOW ALL MEN BY THESE PRESENTS, That we, ——— ———, of ———, as principal, and ———, of ———, and ———, of ———, as sureties, are held and firmly bound unto the United States of America in the full and just sum of ——— dollars, lawful money of the United States; to which payment, well and truly to be made, we bind ourselves, jointly and severally, our several heirs, executors, and administrators, firmly by these presents.

Sealed with our seals and dated the ——— day of ———, 189–.

The condition of the foregoing obligation is such, that whereas the above bounden principal intends to use grape brandy produced by him, or to transport to and use grape brandy which may be in a special bonded warehouse in the fortification of the pure sweet wine produced by him at his winery located at———, county of———, and in the ——— collection district of the State of——— :

Now, therefore, if the aforesaid principal shall deliver on his own winery, within a period of not less than thirty days, each lot of grape brandy withdrawn by him from any special bonded warehouse for use in the fortification of pure sweet wines and shall use only so much of the wine spirits or grape brandy produced by him or withdrawn from a special bonded warehouse as may be necessary to fortify the pure sweet wines produced by him for the preservation of the saccharine matter contained therein; and if the pure sweet wine is fermented grape juice only and contains no other substance of any kind whatever introduced before, at the time of, or after fermentation, and contains not less than four per centum of saccharine matter; and if the wine spirits or grape brandy so used is not in excess of the amount required to introduce into such sweet wine an alcoholic strength equal to fourteen per centum of the volume of such wine after such use, and such wine after such fortification does not contain more than twenty four per centum of alcohol, as defined by section thirty-two hundred and forty-nine of the Revised Statutes of the United States; and if such use of wine spirits or grape brandy shall be confined to the months of August, September, October, November, December, January, February, March, and April of each year; and if the use of the wine spirits shall be begun and completed at the vineyard of the principal, where the grapes are crushed and the grape juice is expressed and fermented; and if the use is under the immediate supervision of an officer of internal revenue, who is required to make such returns describing the wines so fortified and to affix such stamps and seals to the packages containing such wines as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe; and if said principal pays all penalties incurred or fines imposed on him for a violation of any of the provisions of law relating to the fortification of wines; and if he shall

comply with all the requirements of law and the regulations of the Commissioner of Internal Revenue in relation to the fortification of sweet wines, then this obligation to be void; otherwise to remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Signed, sealed, and delivered in presence of—
——— ———.
——— ———.

State of———, *county of*———, *ss:*

I hereby certify that on this ——— day of ———, one thousand eight hundred and ninety —, before me personally came ——— ———, known to me to be the individuals described in and who executed the above bond, and severally acknowledged that they executed the same.

[SEAL.] ——— ———.

INSTRUCTIONS AS TO EXECUTION OF BONDS AND QUALIFICATION OF SURETIES.

In deciding whether a bond (Form 256) shall receive his approval, the collector will satisfy himself that the principal is a person entitled to give the bond and that he intends to fortify the article for the purpose and at the place described in the law and within the limitation specified in the law; also that he has set apart a fortifying room, as herein provided.

The *person* is described in section 42 as a "producer of pure sweet wines, who is also a distiller, authorized to separate from fermented grape juice, under internal-revenue laws, wine spirits." He is also mentioned, in section 45, as "a producer of pure sweet wines, as defined by this act," and in the last paragraph thereof as a "wine-grower."

The *article* is described as pure sweet wine. Section 43 of the act of October 1, 1890, provides that the pure sweet wine which may be fortified free of tax is fermented grape juice only, and shall contain no other substance of any kind whatever introduced before, at the time of, or after fermentation. Section 44 provides that the penalty, in case of the unlawful use of spirits, shall be increased to double the amount of the tax on all the alcohol contained in the wine if *water* has at any time been added to the wine, either before, at the time of, or after such unlawful use of spirits.

Section 42 also provides that "such sweet wine shall contain not less than 4 per centum of saccharine matter, which saccharine strength may be determined by testing with Balling's saccharometer."

The "pure sweet wine" which may be fortified free of tax is the liquid product which results from the alcoholic fermentation of the juice only of fresh grapes crushed at the vineyard of the wine-grower.

By the expression "fresh grapes" is meant grapes from which juice may be expressed without the addition of water. Neither dried grapes nor raisins may be used.

The collector will decline to approve the bond and the gauger to allow the fortification in the following cases:

1. Where the fortification is not to be on the winery where the grapes are crushed and the grape juice is expressed and fermented.

2. Where, although the fortification is to be on the winery, it is true as to a portion of the wine that the grapes have been crushed or the grape juice has been expressed or fermented at some other winery.

3. Where there has been an addition to the must, or natural wine, of water, distilled spirits, glycerin, sugar, coloring matter, or antiseptics, or any other substance.

4. Where the liquid is the product of the fermentation of the pomace of fresh grapes with the addition of sugar or water.

5. Where the liquid is the product of the fermentation of dried grapes with water.

6. Where the liquid is not fermented.

The *purpose* is stated in section 42 as "for the preservation of the saccharine matter contained therein."

The *place* at which the fortification is to be begun and completed is "at the vineyard of the wine-grower where the grapes are crushed and the grape-juice is expressed and fermented." In order to comply with this section it is not necessary that all the grapes shall be grown at the place where the winery is situated, but it is absolutely necessary that there shall be connected with every winery as a part of the premises a vineyard. And while this office will not attempt in these regulations to determine the acreage or the number of grapevines necessary to constitute a vineyard, it will insist that it must be a *bona fide* vineyard.

A wine-maker can not fortify under the bond any wine except that expressed from grapes at his own winery. As his wine must be made exclusively from the juice only of grapes crushed at his vineyard he can not use in the preparation of wine to be fortified free of tax the juice of grapes crushed at another vineyard or place. Nor can he so use any product of such grapes, such as wine, concentrated must, or condensed must. He may, however, purchase fresh grapes from other parties and crush them at his vineyard.

The *limitations* in the bond as to alcoholic strength of 14 per cent. as to the added spirits and of 24 per cent. as to alcoholic strength after fortification, and as to the use of the spirits in certain months only, are those specified in section 42. The same section specifies that the use shall be "in the preparation of such sweet wines," and section 45 provides that the use of the spirits "shall be begun and completed at the vineyard of the wine-grower."

In deciding upon the responsibility and sufficiency of sureties to the foregoing bond, and to all other bonds taken under the aforesaid act

and these regulations, collectors will exercise great care, and will in all cases require justification on the appropriate form (33 or 33*b*) heretofore prescribed. Collectors will observe that sureties are not to be accepted simply because they justify on Form 33 or 33*b*. The principal object of said forms is to obtain statements which the collector can and is in all cases required to investigate, in order to determine the truth or falsity of the same; and no bond will be finally accepted until the statements made by each surety are found to be true, and certified to be so by the collector.

Collectors will also see that, in all cases, the following instructions are particularly observed and complied with, viz:

(1) The Christian names must be written in the body of the bond in full, and so signed to the bond.

(2) The residence of each signer must be stated in the bond.

(3) A seal of wax or wafer must be attached to each signature.

(4) Each signature must be made in the presence of two witnesses, who must sign their names as such.

(5) There must be at least two sureties, and the bond must be dated.

(6) The penal sum named in the bond (Form 256) must not be less than the amount of the tax on the estimated quantity of brandy to be used during the period commencing on the 1st day of August and ending on the 30th day of April next ensuing, and in no case less than $500.

(7) The bond (Form 256) when filed must be numbered in consecutive order in each district, commencing with No. 1 for the first bond, and the winery will have the same number given to it. In case of a renewal bond, however, the serial number thereof should be that of the original bond, so that the same number will be given to all bonds filed by the same wine-grower for the same winery in the same district. Renewal bonds will also be designated by letters A, B, C, etc.

FORTIFYING ROOM.

In every winery where pure sweet wines are made and intended to be fortified with brandy free of tax, a room, to be known as the fortifying room, will be set apart.

This room will be securely built and partitioned so as to be entirely separate from every other part of the winery, with all its windows and doors or other openings leading to or from the same so arranged and built as to be securely locked, bolted or barred from the inside, the entrance door to be locked with a Government seal lock, the key of which must be at all times in charge of the United States gauger. Collectors will make requisitions for the necessary locks and seals, and the locks and seals will be supplied, used, and accounted for as in the case of distillery warehouses. (See pp. 59 to 61 (inclusive) Regulations, series 7, No. 7, revised, May 3, 1890.

The fortifying room may be a portion of any building, or an entire

building, but it must be on the wine-grower's premises at the vineyard where the grapes are crushed and fermented.

The fortifying room must be entirely under the control of the officer detailed by the collector of internal revenue by his order, Part 2, Form 257, hereinafter prescribed. This officer will attend for the purpose of gauging, taking samples, and supervising the fortifying of wines, in pursuance of the requests of the wine-maker, on Parts 1 and 3, on Form 257.

USE OF TANKS—METHODS OF FORTIFYING IN FORTIFYING ROOM.

When the wines to be fortified are ready for fortification they will be drawn into tanks or vessels in the room and the officer will proceed to take samples and shall ascertain the quantity and the saccharine and alcoholic strength as herein prescribed.

If the wine offered for fortification indicates zero and less by the saccharometer, before evaporation; also if it contains more than 15 per cent. (by Salleron test) of alcohol by volume, and 4 per cent. of sugar by weight, the gauger will take samples of such wines before fortification for analysis, before he allows the wine-maker to add grape brandy.

If the wine offered for fortification contains not less than 4 per cent. of saccharine matter and otherwise complies with the law, the officer will allow the wine-maker to add grape brandy but not in excess of the 14 per cent. and 24 per cent. limitations fixed by the law.

The wine-maker will thoroughly mix and blend the brandy with the wine, in order that the alcoholic and saccharine strength of the wine fortified may be uniform throughout the tank or other vessel. The gauger will then take quart samples of each tank in triplicate as hereinafter provided.*

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* If it is impracticable for the wine-maker to add to the wine at the time of the arrival of the gauger, pursuant to his notice on Part 1 or 3, Form 257, a sufficient quantity of grape brandy to preserve the saccharine matter in the wine, he must at some time during the season notify the gauger on Form 312 of his desire to complete the fortification at a second operation.

Such notice will be in duplicate and will accompany Form 257; the gauger's reports on which will cover the brandy used at both operations. The notice will be in the following form:

FORM 312.

The undersigned, distiller and wine producer, finding that the quantity, ——— proof gallons of grape brandy contained in ——— packages, serial numbers ——— to ———, is insufficient to preserve the saccharine strength of ——— gallons of pure sweet wine produced by him, desires to use ——— proof gallons of grape brandy in addition to that already used, the total quantity used and desired to be used being within the 14 per cent. and 24 cent. limits fixed by law and which additional brandy he will have ready for use on the ——— day ——— 189–, at the hour of ——— — m.

This request is therefore made by him that such brandy be gauged and its use supervised on the day and at the hour above named.

——— ———,

——— ———.

STAMPING PACKAGES FORTIFIED IN FORTIFYING ROOM.

When a tank or other vessel of wine is fortified in a fortifying room the gauger will affix a stamp thereto, and such package so filled will be designated in all reports by its serial number and the serial number of such stamp. Whenever the contents of one or more packages are transferred to one or more other packages, in the reports of such transfers the serial numbers of the original packages and the serial numbers of the stamps on the original packages, together with numbers of the new packages and numbers of the stamps on the new packages, will be given as well as the contents in gallons of the new and the old packages. Whenever the wine-maker desires to remove a vessel filled with fortified wine, or the contents of a vessel of fortified wine, from the fortifying room to another portion of his winery, the gauger will remove the stamp from such vessel.

The contents of such vessel may not, however, be returned to the fortifying room or be eligible for further fortification with brandy free of tax. If, however, the wine-maker so desires, the gauger may leave the stamp upon such package and mark the package as hereinafter provided, so that the wine-maker may sell or dispose of such wine in the stamped package. But packages filled from packages so disposed of may not be stamped.

All brandy withdrawn from a distillery or a warehouse for fortifying wine must be accounted for by April 30 of each year, either by use, payment of tax, or in case of warehouse withdrawals by rewarehousing.

All fortified wine and brandy must be withdrawn from the fortifying room on or before April 30 in each year, and the Government lock will, upon such withdrawal, be removed by the gauger and returned to the collector.

REMOVALS OF GRAPE BRANDY FROM DISTILLERY FOR USE IN FORTIFYING PURE SWEET WINES.

After the execution and acceptance of the prescribed bond (Form 256) and, if the principal be a grape-brandy-distiller, upon detailing a gauger to gauge the month's production as provided on page 158, Regulations, Series 7, No. 7, revised May 3, 1890, also upon receipt of a special notice from the distiller and wine-grower as hereinafter provided, the collector will deliver to the gauger the order and permit hereinafter prescribed.

The special notice will be in duplicate and in the following form:

Bond No. —.] FORM 257. [Part 1.

UNITED STATES INTERNAL REVENUE.

Notice, etc., as to grape brandy to be removed from distillery to fortify pure sweet wines.

———, 189—.

——— ———, Esq.,
Collector ———, *District of* ——— :

SIR: The undersigned distiller of ——— proof gallons of grape brandy contained in ——— packages, Serial Nos. ——, ——, now at his distillery, No. ——, in this district, finding its use absolutely necessary in order to preserve the saccharine strength of ——— gallons of pure sweet wine produced by him, desires to use said brandy, free of tax, in the preparation of said pure sweet wines at his winery, situated at ———, county of ———, and State of———, under the conditions of his bond, Form 256, dated ———, 189—, such use to be commenced at —— o'clock —. m. of the ——— day of ———, 189—, or within ——— hours thereafter, and to be completed in ——— hours. Such wine spirits so used free of tax shall not be in excess of the amount required to introduce into the wine an alcoholic strength equal to fourteen per centum of the volume of such wine after such use. Nor will such wine after such fortification contain more alcohol than twenty-four per centum of the volume of such wines after such use. Nor does such wine contain less than four per centum of saccharine matter.

Request is therefore made by him that such brandy be gauged.

———— ————,
Distiller and Wine-Grower.

Signed and sworn to before me this —— day of ———, 189 .
———— ————. [SEAL.]

The collector's order will be in duplicate and in the following form:

Bond No. —.] FORM 257. [Part 2.

Collector's order to gauger.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District of* ——— ———, 189—.

SIR: You will proceed to the distillery No. —, of ———, at ———, and there inspect and gauge, according to law and regulations, so much of the grape brandy produced by him as is not already gauged. You will mark upon each package so gauged the number of wine gallons and proof gallons therein contained, and affix and cancel a transfer stamp to each package to be used in fortifying pure sweet wine.

NOTE.—The wine will be forfeited if it contains more than twenty-four per centum of alcohol.

You will also gauge and supervise the fortification of the pure sweet wines of the said distiller and wine-grower pursuant to his special notice, Form 257, Part 1, and pursuant to any supplemental special notice on Form 257, Part 3, executed on the blank hereunto attached.

You will also affix a fortified sweet-wine stamp properly filled out and signed by you to each cask or package of pure sweet wine fortified under your supervision pursuant to this order. You will cancel said stamp in the manner that distillery-warehouse stamps are canceled, make report of the gauging of the spirit packages on Form 59½, and as to the fortification on Part 4, Form 257.

[Signed] ——— ———,
Collector ——— *District of* ———.

[SEAL.]
To ———, *Gauger.*

Upon receipt of the collector's order, Part 2, Form 257, the gauger will proceed to the premises constituting the distillery of the applicant designated therein, and will gauge all packages therein not already gauged, and will mark and brand the packages of grape brandy as specified in the special notice of the distiller and wine-grower, Part 1, Form 257, and such as may be specified in any supplemental notice which the distiller and wine-grower may deliver to him upon his arrival at the distillery. He will also affix a transfer stamp to each of such packages.

The letters and figures branded or cut on the packages should in no case be less than one-half inch in length, and may be abridged as follows:

No. 53.
Grape Brandy.
R. S. Garrett, Distiller.
1st Dist., Cal.
Withd'n Apr. 10th, 1891. P. G. 44.
T. S. 385.
To W., 5, 1st Dist., Cal.

In the above brand the letters and figures "T. S. 385" signify "Transfer Stamp No. 385," and the letters and figures "W., 5" on the last line signify "Winery No. 5," the same being the winery in which the brandy is to be used in the fortification of wine.

The gauger will then proceed to the premises constituting the winery designated in said notice or notices and will gauge and superintend the fortification of the pure sweet wines as specified therein.

The supplemental notice will be in duplicate and substantially in the same form as the special notice, except that it will be entitled as follows:

Bond No.—] FORM 257. [Part 3.

Supplemental notice of distiller and wine-grower.

INSTRUCTIONS IN REGARD TO TIME AND MANNER OF FORTIFICATION.

In case the distiller can so arrange his business of wine-making as to be ready to fortify his wines at such time or times in the month as the gauger is required to attend to gauge the brandy produced, the supervision required by law will be secured at the least expense to the United

States. For this reason, and in recognition of the fact that the wine-maker may not know exactly how much brandy he will need until the wine has reached the condition when the addition of the brandy should be immediately made, the supplemental notice, Part 3, Form 257, has been prescribed. The special notice will be given by the distiller when he desires wine to be fortified at times other than those on which the gauger makes his regular periodical visit to gauge brandy. The collector, unless specially notified to the contrary by the wine grower who has given the bond Form 256, in which he states that he is also a distiller, will, whenever sending a guager to the distillery, furnish him with an order on Part 2, Form 257.

The wine-maker will add the brandy to the vat in which the must expressed from his grapes is stored for the purpose of being converted into pure, sweet wine. It is desirable that the wine be in the largest sized vessels possible at the time the brandy is added, as the guager must take and send samples, each of not less than one quart, for purposes of careful analysis, in triplicate, as hereinafter provided, from each lot of wine when fortified. When there are several vats or vessels containing the same kind of wine and the same ascertained per cent. of saccharine presence and alcohol, one set of average samples for all will be sufficient.

The wine-maker should make tests of the wine to ascertain its saccharine strength before the brandy is added. The gauger must verify the accuracy of the wine-maker's tests by one or more of his own. The gauger will be provided with a set of Balling's saccharometers, and with a vessel in which the wine may be boiled down one-half in order to expel all the alcohol. After the evaporation of the spirit the sample will be restored to original volume in the graduated vessel provided by the addition of pure water, such as rain water, melted ice, or, if possible, distilled or condensed water. The wine-maker should be careful to ascertain the alcoholic strength of his wine before and after the addition of the brandy.

If, however, such wine is found to contain, after such fortification, more than 24 per cent. of alcohol, as defined by section 3249 of the Revised Statutes, it will be forfeited, notwithstanding that the stamp on the barrel, which is signed by the gauger, may indicate that the alcoholic strength of the wine is less than 24 per cent.

The gauger will fill out the fortified sweet-wine stamp and the stub thereof, and will affix and cancel the stamp, as directed in the collector's order, Part 2, Form 257. The stamp will be affixed to the head of the cask or package, except in the case of standing tanks, when the stamp will be affixed to the bung stave. When the wine-maker desires to have the wine shipped under the Government stamp, the gauger will also cut upon the bung stave, near the bung, the following letters and figures, indicating the saccharine strength and the alcoholic strength of the wine before the addition of the grape brandy; also the quantity of

alcohol added, as follows: S. 4,—O. A. 14,—A. A. 10,—, which signifies saccharine strength, 4 per cent.; original alcoholic strength, 14 per cent.; and added alcohol, 10 per cent.

The gauger will report packages to which the wine has been transferred on the inside pages of his report, Part 4, Form 257, entirely separate and distinct from that portion devoted to the report of original packages stamped pursuant to the collector's order, Part 2, Form 257.

Upon affixing the stamps the gauger will make his report in duplicate on the following form and forward the same to the collector with the notices and order received by him:

Bond No. —.] FORM 257. [Part 4.

Report of gauger.

———, 189—.

I hereby certify that, pursuant to your order, Part 2, Form 257, of the ——— day of ———, 189—, I proceeded to the distillery No. — of ——— ———, and there gauged the grape brandy not already gauged at said distillery, and marked, stamped, and branded the grape brandy which said distiller desired to use in fortifying pure sweet wines produced by him, and that he did use the brandy described in his special notice of ———, 189—, and his supplemental notice of ———, 189—, in fortifying certain pure sweet wines produced by him, and that I affixed to each package certain stamps as set forth in the following (or within) detailed statement:

Grape brandy used in fortifying the wine.					Wine fortified.					
Serial numbers of packages.	Serial numbers of transfer stamps.	Wine gallons.	Proof gallons.	Tax gallons.	Kind of wine.	Serial numbers sweet-wine stamps.	Wine gallons, contents.	Per cent. sugar before fortification.	Per cent. alcohol added.	Per cent. total alcohol in wine after fortification.

I also certify that of the brandy received by said wine-producer, ——— wine gallons, ——— proof gallons, ——— taxable gallons contained in ——— packages, Serial Nos. of packages ———, Serial Nos. warehouse stamps ———, Serial Nos. rewarehousing stamps, —, ———, Serial Nos. transfer stamps ———, remain unused. Also that the wine-producer intends to "pay the tax thereon" [or] "return the same to the special bonded warehouse" [as the case may be].

(Signed) ——— ———,

United States Gauger.

In the foregoing table each package of brandy or of wine, as the case may be, will be reported separately. In stating the kind of wine the following abbreviations may be used: "A." for "Angelica," "Ma." for "Malaga," "Md." for "Madeira," "Mu." for "Muscatel," "P." for "Port," "S." for "Sherry," "S. C." for "Sweet Catawba," "Scu." for "Scuppernong."

The collector will retain one set of the duplicate Form 257 and forward the other to the Commissioner of Internal Revenue. The collector will also give the distiller credit for the brandy so used, on his monthly report, Form 247. Form 257 is in no manner a substitute for the required report on Form 59½, which must be made of all brandy gauged, without exception.

II. REMOVALS OF GRAPE BRANDY FROM SPECIAL BONDED WAREHOUSES TO FORTIFY PURE SWEET WINE.

Where the producer of the pure sweet wines, who has given the bond, Form 256, desires to use, under the conditions of said bond, any brandy owned by him in a special bonded warehouse located in the *same district* for the fortification of the pure sweet wines produced by him, he will file with the collector of the district the following notice in duplicate:

Bond No.—.] FORM NO. 258. [Part 1.

U. S. INTERNAL REVENUE.

Notice, etc., as to grape brandy to be removed from a special bonded warehouse to fortify pure sweet wines.

———, 189—.

——— ———, esq.,
Collector ——— *District* ———.

SIR: The undersigned, a producer of pure sweet wines and owner of ——— packages of grape brandy, the serial numbers of which are ———, deposited in special bonded warehouse No. —, of ——— ———, desires to withdraw the same under the act of October 1, 1890, for use in fortifying the sweet wines produced by him in the ——— district of ———, and requests that such spirits be regauged.

——— ———.

Sworn to before me this ——— day of ———, 189—.
[SEAL.] ——— ———.

Upon the receipt of such notice, in duplicate, the collector will at once append to each copy the following order to the gauger, provided the packages named in the notice contain not less than 80 wine gallons.

Bond No. —.] FORM 258. [Part 2.

Collector's order to gauger.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
——— *District* ———, 189—.

SIR: You will proceed to special bonded warehouse No. —, of ——— ———, at ———, and there inspect and gauge, according to law and regulations the brandy which ——— ——— desire to withdraw for the fortification of pure sweet wines. You will mark upon each package so regauged the number of wine gallons and proof gallons therein contained; and you will make report of your gauging on the certificate below, and sign and deliver the same to the applicant.

——— ———, *Collector.*

To ——— ———, *Gauger.*

Upon the receipt of the foregoing order, the gauger will at once proceed to the warehouse therein designated, and there carefully and thoroughly inspect each package, ascertaining the actual wantage, proof, and contents, without reference to the marks on the casks.

The return of the gauger will be in the form following, and will be indorsed on each copy of the order for inspection:

Bond No. —.] FORM No. 258. [Part 3.

Report of gauger.

I hereby certify that, pursuant to the above order, the following-described brandy, produced and deposited in special bonded warehouse No. ——, by ———, on the —— day of ———, 189—, has been inspected and gauged by me this —— day of ———, 189—, and contents and loss found to be as follows, viz:

Contents when deposited in warehouse.									Contents when application for withdrawal is made.			
	No. of packages.	Marks.	Serial numbers of packages.	Serial numbers, transfer stamps.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.
		Total withdrawn			000	000.00	000	000.00				
		Actually lost			000	000.00	000	000.00			000	000.00
		Loss allowed			000	000.00	000	000.00	000	000.00		
		Deficiency paid.....			000	000.00	000	000.00	000	000.00		
Total..		.....										

——— ———,
United States Gauger,

To ——— ———, *Collector.*

A detailed statement, in duplicate, on Form 59, will be prepared by the gauger, one of which he will deliver to the collector, and one he will mail to the Commissioner of Internal Revenue "for review." The foregoing report, together with order for inspection, will be delivered to the party making application for withdrawal.

When the brandy is withdrawn the gauger will deliver a report to the storekeeper on Form 205, to be transmitted with Form A 86½ to the Commissioner of Internal Revenue.

Upon receipt of the gauger's report of inspection, etc., the winemaker will indorse upon each copy thereof the following entry for withdrawal:

Bond No. —.] FORM 258. [Part 4.

Entry for withdrawal for fortification of sweet wines.

——— DISTRICT, STATE OF ———, ———, 189–.

SIR: I desire to withdraw from warehouse the brandy described in the foregoing report and certificate of gauger. It is to be transported by* ——— to my winery at ———, and consigned to myself for use in the fortification of pure sweet wines produced by me.

——— ———.

To ——— ———, esq., *Collector.*

Whenever practicable, these shipments must be made over bonded routes.

The applicant will, at the time of filing the entry for withdrawal, pay the tax on any deficiency ascertained to be due under the provisions of section 17 of the act of May 28, 1880.

If satisfied that the security afforded by the bond, Form 256, is sufficient, the collector will, after receiving payment of the tax on the deficiency, indorse upon each copy of the order for inspection, Part 2, Form 258, and under his official seal, the following permit for the delivery of the spirits:

Bond No. —.] FORM NO. 258. [Part 5.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
——— *District of the State of* ———, ———, 189–.

SIR: The tax on ——— gallons of the deficiency of ——— gallons ascertained under section 17 of the act of May 28, 1880, as shown by the accompanying report of ——— ———, gauger, having been paid to me, and a good and sufficient bond, Form 256, No. —, dated ———, 189–, having been executed under the provisions of the act of October 1, 1890, and filed in this office, covering the spirits described in the foregoing gauger's certificate, the tax upon which amounts to $———, to be shipped from this district to the person at the place and over the

* Here state the entire route over which the spirits pass from the special bonded warehouse to the winery.

route specified in the above entry, you are hereby directed to deliver said spirits to ——— ——— for such shipment.

Gauger ——— ——— will affix the proper stamps and brands in your presence.

[SEAL.] ——— ———, *Collector.*

To ——— ———, *Storekeeper.*

Before removal of the spirits from the warehouse, the gauger will at once affix the transfer stamps to the packages, and he will cut with a die, or burn upon each cask, the name of the distiller, the district, the date of withdrawal, the number of proof gallons then ascertained, the number of the transfer stamp, and name of the place from which the spirits are to be transported.

This brand may be abridged in the following manner:

John Smith & Co.,
Distillers,
1st Dist., Cal.
Withd'n Jan. 10th, 1891, P. G. 44.
Transfer Stamp 385.
To Los Angeles for fortifying wine.

The letters and figures, branded or cut as above specified, are to be in no case less than half an inch in length.

After the spirits have been properly gauged, stamped, and branded, the storekeeper will deliver the same to the party named in the collector's order, provided the party named exhibits the collector's permits to the storekeeper, and takes the spirits within thirty days of the date of the bond named in the permit.

Upon receiving the spirits from the storekeeper, the wine-maker must immediately deliver to the collector two bills of lading, which must in every case be through bills of lading, and bind each railroad or other transportation company, and the owner or proprietor of each vessel, or other conveyance, transporting said spirits while in their custody and being transported by them from the place of shipment to the place of delivery.

The bill of lading will be substantially as follows:

FORM C.

Bill of Lading.

OFFICE OF ——— ———, ———, 189—.

Received in good order from ——— ———, of ———, State of ———, the following-described grape brandy, to be used in fortifying, under the supervision of an internal-revenue officer, pure sweet wines, consigned as marked and numbered in the margin, to be transported in bond for [here give the name of the principal to the bond] over the line of this ——— to ———, and delivered in like good order to ——— ———, of ———, State of ———, the said [here insert name of the principal to the bond] paying freight and all charges on the said mer-

chandise; and the rate of freight for the transportation of said packages from the place of shipment to ——— shall not exceed ——— per ———.

In witness whereof the agent of the said ——— company hath affirmed to three bills of lading, all of this tenor and date, one of which being accomplished, the others to stand void.

[Here describe the brandy as specified in the entry for withdrawal.]

Number of packages and kind of spirits.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Numbers of transfer stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

——— ———, *Freight Agent.*

The owner of the brandy to be transported must in all cases make arrangements for shipment, rate and payment of freight, and the like details, with the transportation company, owner, or proprietor of the vessel or other conveyance; and the parties may be allowed to specify in the bill of lading the conditions of their agreement in respect to those matters, *but nothing must be incorporated therein which will in any manner impair the obligation of the owner and transportation companies to forward and deliver such goods to the designated winery at which the brandy is is to be used in the fortification of pure sweet wine, and the owner shall take all necessary measures to insure the safe delivery of the brandy to such destination.*

Upon receipt of the bills of lading, the collector will immediately forward one copy thereof to the Commissioner of Internal Revenue, together with a copy of the notice, order, report, entry, and permit, form 258, and he will retain a complete set of papers on file in his office.

If the principal to the bond is unable, from good cause, to furnish the required proof of the delivery of the spirits at his winery within the time specified in his bond, an extension of time, not exceeding one-half the period named in the bond, may be applied for to the Commissioner of Internal Revenue, accompanied by the consent of the sureties to the bond to such extension; such application and consent to be approved by the collector, who will certify whether the bond is good and sufficient, and as to whether any loss will probably occur by granting such extension.

The extension asked for must be for a specified time, not exceeding that above stated, and the application therefor must set forth the date of the actual withdrawal of spirits from the warehouse, and the reasons why the condition of the bond as to the presentation of proof has not

been complied with, and must be sworn to; and the accompanying consent of the sureties to the bond must be executed under seal, and duly acknowledged.

Upon arrival of the brandy at the winery, the wine producer will notify the collector of the fact and as to when he desires to use the same in the fortification of pure sweet wines produced by him.

The notice will be executed in duplicate on Part 1, Form 257, except that the signer will substitute the word "owner" for the word "distiller" and the word "winery" for "distillery."

This notice will be followed by the collector's order to the gauger in duplicate on Part 2, Form 257, except that the gauger will therein be directed to proceed to the "winery" instead of the distillery; and, as soon as the facts warrant, the gauger will make his report on Part 4 of Form 257 in duplicate, also substituting the word "winery" for the word "distillery," and the words "wine-producer" for the word "distiller."

The collector will retain one set of the duplicate, Form 257, showing the use of the brandy received from a special bonded warehouse in his district as in the case of brandy used directly from the distillery of the wine producer. And he will forward the other to the Commissioner of Internal Revenue as a voucher for credit in his bonded fruit-brandy account, as hereinafter provided.

III.—Brandy obtained from special bonded warehouses in other districts.

In case the producer of the pure sweet wines who has given the bond, Form 256, desires to use under the conditions of said bond any brandy owned by him which is in a special bonded warehouse located in a district other than that in which his winery is situated, he will notify the collector of the district in which his winery is situated and with whom his bond, Form 256, is on file, who, if he deems the security afforded by the bond to be sufficient, will so notify the collector of the other district.

The wine-producer may then file with the collector of the district in which the warehouse is located the notice, Part 1, Form No. 258, in triplicate. The collector's order to the gauger, Part 2, Form 258; the report of the gauger, Part 3, Form 258; the entry for withdrawal, Part 4, Form 258; the collector's order to the storekeeper, Part 5, Form 258, and the bill of lading will also all be executed in triplicate.

Upon receipt of the bills of lading, the collector will immediately forward one copy thereof, together with one copy of the notice, order, report, entry, and permit, Form 258, to the Commissioner of Internal Revenue as a voucher for credit in his special bonded warehouse account; forward one copy thereof, with a copy of the notice, order, report, entry, and permit, Form 258, to the collector of the district to which the brandy is shipped, and he will retain a complete set of papers on file in his office.

Upon the arrival of the brandy at the winery, the wine-producer will notify the collector in which his winery is situated of the fact and as to when he desires to use the same in the fortification of pure sweet wines produced by him. The notice and subsequent proceedings will be the same as in case of transfers from a special bonded warehouse to a winery in the same district, Parts 1, 2, and 4 of Form 257 in duplicate being used.

The collector will retain one set of the duplicate Form 257 and forward the other set to the collector from whose district the brandy is received; and this collector will forward the same to the Commissioner of Internal Revenue as a voucher for a second credit in his bonded account, Form A 94, as hereinafter provided.

IV.—Fortification of wines for exportation free of tax.

Any person who intends to export domestic wines to a foreign country, and finds it necessary to fortify the wines in order to meet the demands of the foreign market, may make application in triplicate, under oath, on Part 1, Form 259, to withdraw free of tax the wine spirits needed to fortify the wines so as to meet such foreign demand.

The collector to whom the application is made will not grant the application until satisfied that the alleged commercial demand is actual, and that the application is made in good faith. In order to assist him in determining this question he will be furnished on application with copies of Part 3, Bulletin No. 13, Division of Chemistry, United States Department of Agriculture.

The exporter will also give a bond in duplicate, Form 260, in a penal sum equal to double the amount of the tax on the grape brandy to be used in the fortification of the wine, and with two or more sureties satisfactory to the collector.

The instructions hereinbefore given as to the execution of the bond, Form 256, will apply to the bond, Form 260.

Upon being satisfied of the good faith of the applicant, and having approved his bond, the collector will issue an order to the gauger on Part 2, Form 259. The gauger will gauge, mark, and brand each package, and affix the transfer stamp as in case of a transfer from a special bonded warehouse to a winery, except that the brand will show that the brandy is to be transferred to a certain point (usually a port of entry) for export. The brand may be abridged as follows:

No. 53.
Grape Brandy.
R. S. Garret, distiller,
1st Dist., Cal.
Withd'n Apr. 10th, 1891, P. G. 44.
T. S. 385.
To New York for Export.

He will then make his report on Part 3, Form 259.

The exporter will then pay to the collector the tax on the excessive loss ascertained by the gauger, and make an entry for withdrawal, Part 4, Form 259. He will also procure and deliver to the collector triplicate bills of lading, Form C of Regulations, Series 7, No. 4, Revised, providing for the delivery of the brandy to an officer under whose supervision the brandy is to be used in the fortification of wine for export.

The collector will then issue a permit, Part 5, Form 259, directing the storekeeper to deliver the brandy to the person named therein for transfer to an officer at the point also named therein, to be used under the supervision of the designated officer in fortifying wines for export.

The storekeeper, upon delivering the brandy, will certify to the fact on Part 6, Form 259. The collector will then transmit one set of Parts 1, 2, 3, 4, 5, and 6 of Form 259, one bill of lading, and one bond, Form 260, to the Commissioner of Internal Revenue. He will then fill out the notice, Part 7, Form 259, to the officer to whom the brandy is consigned and forward this set of Parts 1, 2, 3, 4, 5, 6, and 7, Form 259, to such officer, with one of the bills of lading.

If the brandy is to be added alongside of the vessel which is to transport the fortified wine to a foreign country, it will be consigned to the collector of internal revenue in charge of exports at the port from which the vessel clears for the foreign port.

If, however, the brandy is to be added to the wine alongside of the bonded car by which it is to be exported, it will be consigned to the collector of the district in which the place is located at which the fortification is to be effected. The collector will in no case allow the wine to be fortified for exportation by car until satisfied that the customs regulations relative to sealing such cars have been complied with.

Upon the arrival of the brandy at the point specified in the bill of lading and the notice, Part 7, Form 259, the exporter will notify the collector to whom the notice, Part 7, is directed and request the attendance of an officer to witness the fortification of the wine. The collector will then issue an order to a gauger on Part 8, Form 259, to regauge the brandy to ascertain by gauging the quantity in wine gallons and the kind of wine, noting whether it answers the description in the notice, Part 1, Form 259. In case no irregularity is discovered, the gauger will witness the fortification of the wine, and after cutting out and disposing of a portion of the transfer stamp and witnessing the destruction of the marks, stamps, and brands on the packages of brandy, will affix and cancel the fortified wine stamp for exportation.

The gauger will then make a report on Part 9, Form 259, describing the kinds and quantities of wines so fortified and the quantity of grape brandy used in the fortification. The exporter will notify the collector of customs of the intended exportation, so that he may detail an officer to superintend the lading of the wine. The exporter will also deliver to the collector of internal revenue a bill of lading conditioned for the

delivery of the fortified wines at a foreign port, and a certificate of the collector of customs showing that the wines are entered on the outward manifest of the exporting vessel or car and that the vessel or car has duly cleared for a foreign port, naming the port.

Upon receipt of the gauger's report, the bill of lading, and the clearance certificate of the collector of customs, the collector to whom the notice, Part 7, is addressed will return all the papers to the collector who sent the notice, Part 7.

Upon receipt of the papers and upon payment of tax on any deficiency, the collector last specified will cancel the bond, Form 260, and enter the proper credit in his books and in his report on Form A 94, as hereinafter provided, forwarding the canceled bond and all the evidence upon which it is canceled as a voucher for such credit.

V.—Reimported domestic wines.

The law, section 47, declares that the duty levied and collected on domestic wines reimported shall be as an original importation.

The duties levied and collected on the wines covered by these regulations when reimported are therefore the same as those fixed by Schedule H, section 1, of the act of October 1, 1890.

Attention is called to the proviso (par. 336) in said section to the effect that any wines imported containing more than 24 per cent. of alcohol shall be forfeited to the United States.

VI.—Recovery of wine spirits used in fortifying wines.

The law, section 49, provides that the wine spirits used in fortifying wines may be recovered only on the premises of a duly authorized grape-brandy distiller. Such wines will be taken up as material on the record, Form 25½, and the report, Form 15, and the distiller held to pay the tax on a product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added distilled spirits. When a fortified wine is used as a material for distillation by an authorized grape-brandy distiller, the distiller shall make a special entry of this material on the record, Form 25½, and a special report on Form 15 for the month in which the distillation occurred, in which return no other transactions shall be reported.

This entry and report must show the number of packages of fortified wine received, the number distilled, the name of the wine-maker, the number of the winery, the collection district in which situated, the original wine gallons contents of, and the quantity of wine contained in, each package, respectively; and, also, the original, the added, and the total percentage of alcoholic strength of such wine, as shown by the required marks and stamps on said packages. The brandy distilled

from such wine shall be gauged and reported upon a special form (59½) by the gauger, separate from other spirits produced by the same distiller.

VII.—The bonded grape-brandy account.

On the day when grape brandy is withdrawn from a special bonded warehouse for the fortification of wine the storekeeper will make a report in duplicate on Form A 86½, such report to the Commissioner to be accompanied by the gauger's report on Form 205. He will also take credit for such withdrawals on his monthly report, Form A 87. The items will be entered in a detailed statement on one or more of the inside pages of the report, and he will enter the total of such statement on line 14 of the first page of the revised return.

On the first page of his monthly report, Form A 94, revised, the collector will enter on line 34 the quantity of grape brandy withdrawn for the fortification of wine (short entry), on line 35 the quantity accounted for as used in the fortification of wine, on line 36 the quantity tax-paid, on line 37 the quantity returned to the warehouse (short entry), and on line 38 the quantity unaccounted for, all in taxable gallons.

In the detailed statement on the inside of the report, A 94, the details of brandy withdrawn for the fortification of sweet wines in the district will be kept in one place, the withdrawals for such use in other districts in another place, and the withdrawals for the fortification of wine for export in another place. All final credits must be accompanied by the evidence of the use of the brandy in each case as hereinbefore prescribed. The collector will record and report monthly on Form 290 as to sweet wine.

VIII.—Records and reports of wine-makers.

Every wine-maker who uses grape brandy in the fortification of sweet wine will keep a record and make a monthly report, in duplicate, on Form 261, showing the quantity of brandy withdrawn from his distillery, the quantity withdrawn from special bonded warehouses, the quantity used during the month, and the quantity unaccounted for at the beginning and end of the month.

He will also state the quantity of grapes received from the vineyard or vineyards of the wine-maker; the quantity of grapes purchased from other grape-growers, giving names and locations, and the quantity of grapes used by the wine-maker in the manufacture of sweet wines; and the kind, quantity, saccharine strength, and alcoholic strength of the wines before and after fortification. He must also be able truly to state and must state that such wine does not contain any substance other than fermented grape juice, introduced before, at the time of, or after fermentation.

The return must be sworn to. One copy must be mailed to the Commissioner of Internal Revenue on the last day of the month or on the first day of the following month, and one copy must at the same time be delivered to the collector.

IX.—Prohibition under section 45 as to use of wine spirits.

Section 45 of the act of October 1, 1891, provides that—

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized, whenever he shall deem it to be necessary for the prevention of violations of this law, to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying-house, winery, or other establishment used for pror ducing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by his regulation shall be stored.

Pursuant to this section the collector will make a special report to the Commissioner as to each case, whenever he deems a distance limit necessary for the prevention of the violation of the law, stating what distance is necessary, with reasons for his recommendation.

Storing or having on storage in the fortifying room any wines or spirits other than those permitted by these regulations is forbidden.

The use, in the fortification of wines, of wine spirits on which the internal-revenue tax is overdue is also prohibited.

X.

In case the collector finds it expedient he may assign a storekeeper and gauger to do the work assigned to the gauger, or to do so much thereof as he may deem expedient. Collectors will instruct gaugers at each visit to the grape brandy distilleries for the purpose of gauging brandy or attending to the fortification of sweet wines to carefully examine the distillery, and make full report of its condition on Form 192.

XI.

Whenever any package of wine fortified with distilled spirits is emptied or drawn off, the person emptying the package will efface and obliterate any internal-revenue mark, stamp, or brand thereon.

XII.

The blank forms prescribed by these regulations and such other forms as may hereafter be found necessary will be furnished by this office, together with all needful instructions printed thereon.

XIII.

The following description of instruments and instructions and tables relative to their use are furnished for the information of wine-makers and gaugers in testing for the saccharine and alcoholic strength of wines.

BALLING'S SACCHAROMETER.

Section 43 provides that the "sweet wine which may be fortified free of tax is fermented grape-juice only, and shall contain no other substance of any kind whatever introduced before, at the time of, or after

fermentation, and such sweet wine shall contain not less than 4 per centum of saccharine matter, which saccharine strength may be determined by testing, with Balling's saccharometer or must-scale, such sweet wine, after the evaporation of the spirit contained therein, and restoring the sample tested to original volume by addition of water."

The addition of water, glycerin, sugars, coloring matter, and antiseptics to the sweet wine which may be fortified are clearly forbidden by the above section.

Balling's saccharometer or must-scale is a hydrometer graduated to read directly the percentages of *cane* sugar by weight contained in a solution of such sugar in distilled water at 60° F. Where the solution, as in the case of sweet wine, contains substances other than cane sugar and pure water, all the solids will appear as cane sugar. The readings of such an instrument, therefore, are always higher than the actual *grape* sugar contents as determined by chemical analysis.

The same care and precaution are to be observed in the use of this hydrometer as are employed when ascertaining the strength of distilled spirits by the alcoholometer.

The instrument will be furnished in somewhat similar form to the set of alcohol hydrometers.

DIRECTIONS FOR SENDING SAMPLES FOR CHEMICAL ANALYSIS.

(1) All samples taken for analysis shall be in sets of three of not less than one quart each, put up in clean, strong glass bottles. The officer taking the samples should *himself* thoroughly wash the bottles with hot water, rinsing them with cold water, and allowing them to drain dry, before taking the samples at the sweet-wine producer's premises.

(2) The gauger and wine-maker will see that the wine in the tank is thoroughly mixed before the samples are taken. Rinse the bottles with the wine to be sampled, and then fill them to within an inch of the cork.

(3) A new and perfect cork should be used to close the neck of the bottle.

(4) Label each bottle with a gum label, Form 279, and state thereon: Date, name of producer, and location and number of winery; variety; serial number of package from whence sample is taken; sample taken by ——, and found by him to contain alcohol, by volume, per cent.; sugar, by weight, per cent., as ascertained by the method given in these regulations. The label will also be signed by the gauger and producer, and will contain a statement to the effect that each signer agrees that the wine in the bottle to which the label is affixed is a fair average sample of the wine in the package described therein.

(5) Seal the cork with a distinctive seal and pack carefully in a box.

(6) Special care should be taken in sealing the samples and box so that the identity may be readily established.

(7) Send a detailed report of the case, on Form 275, to the collector and to the Commissioner of Internal Revenue.

(8) Take a set of three samples, of which the wine-maker will retain one and will send the other two to the collector of the district by express. The wine-maker will pay for boxing and expressing the samples to the collector, and unless one of the samples is to be tested in the collector's office the collector will send both to the Commissioner of Internal Revenue, the express charges covering samples sent to the Commissioner to be paid by the Commissioner. The boxes containing samples sent to the Commissioner will be addressed—

Laboratory, Office of Internal Revenue,
Treasury Department,
Washington, D. C.

and forwarded by express.

If, however, one of the samples is to be tested by a deputy, as herein provided, the collector will send to the Commissioner only one sample, and then only in the cases herein provided for.

(9) When the samples are taken from the vats or other vessels used in carrying out the fortification *before* the addition of wine spirits, it is necessary to stop any further fermentation and consequent loss in sugar in the bottled samples by the addition of some antiseptic, and for this purpose the officer will add to each quart sample the contents of a 6-grain package of salicylic acid before the bottle is corked, shaking the bottle until the salicylic acid is well dissolved. The use of such antiseptic must be distinctly stated on the label. (For the present, officers will have to obtain their supply of salicylic acid for this purpose from the local druggists, put up in small paper packages or in compressed tablets containing 6 grains each, until other arrangements can be made.) No antiseptic shall be added to samples taken after the brandy is added.

Where, in the opinion of the Commissioner of Internal Revenue, the quantity of sweet wine produced and fortified in any collection district renders such a course necessary, the collector of internal revenue for the district may detail one or more deputy collectors of sufficient technical skill, to whom all samples of sweet wine taken as herein provided shall be sent for analysis, under supervision of the collector; and the said collector will be furnished for the use of said deputy or deputies with suitable chemical apparatus for that purpose. The deputy collector will make tests of one of the two samples in each case sent to the collector, and if such tests show that alcohol in excess of one or both of the limits fixed by the law has been used or that the wine had, before fortification less than 4 per cent. of saccharine matter, or is otherwise not of the kind and character which may be fortified under the law, he will report the fact to the collector, who will take appropriate action.

If, however, the wine-maker is of the opinion that the findings of fact by the deputy collector or gauger are incorrect he may have the sample retained by him, analyzed by any chemist whom he may select, and if

the result of such analysis sustains the wine-maker's view of the matter the collector will forward the third sample to the Commissioner of Internal Revenue for a final analysis.

METHOD TO BE USED FOR THE APPROXIMATE DETERMINATION OF THE ALCOHOL AND OF THE SUGAR CONTENTS OF SWEET WINES.

The methods herewith prescribed may briefly be stated to involve the determination of the specific gravity of the original liquid, of the extract and of the distillate at 60° F., and from these three facts to ascertain, by reference to suitable tables, the alcohol and sugar contents of the wine under examination.

Table I gives the correction to be applied to the readings of the saccharometer when taken at other than the normal temperature, Table II gives the specific gravity corresponding to the readings of the saccharometer at the normal temperature, Table III gives the specific gravity corresponding to the readings of the alcoholometer at the normal temperature, and Table IV gives the correction to be applied to the readings of the alcoholometer when taken at other than the normal temperature.

For convenience, the determinations will be made by the gauger on samples withdrawn from the vats or other vessels used containing the wine proposed to be fortified. As such liquid must not contain less than 4 per cent. of sugar (section 43), this strength *must* first be ascertained before such wine is allowed to be fortified, and likewise its alcoholic contents *must* be ascertained in order to determine how much less than the maximum amount prescribed in section 42 of wine spirits may be added to make such fortified wine have less than 24 per cent. of total alcohol.

After fortification has taken place, samples may likewise be taken from the vats, and the sugar and alcohol contents determined by the gauger.

Samples of all fortified wine are to be sent to the collector, in duplicate, in every case accompanied by a report on Form 275.

(1) The glass cylinder, previously thoroughly washed, is first rinsed with the sample, then filled to within a short distance of the top, and the temperature accurately noted. On the accuracy and care taken in making these readings depends the correctness of the determinations.

(2) The temperature of the liquid under examination should always be brought as near as possible to the temperature at which the instruments are standardised, in order to reduce the sources of errors in the determination. For this purpose, where the temperature of the liquid is higher that the standard (60° F.), the sample may be placed in a copper or thin glass cylinder or other vessel, and surrounded with cold water until the temperature is sufficiently lowered; and in case the temperature of the liquid is lower than the standard, a little tepid water may be used in which to place the cylinder. The corrections found in

Table I, may, however, be applied when the temperature of the liquid is not above 80° F., or below 50° F.; in all other cases the temperature of the liquid under examination should be brought within these limits by the methods above given before proceeding with the determination of the specific gravity by the hydrometer.

(3) The hydrometer (saccharometer) is then introduced into the liquid, and the same care and precaution observed as when the alcoholometer is used in ascertaining the strength of spirits. The saccharometer must be cleaned and dried before each determination. The reading of the scale of the saccharometer is made, after the instrument has been in the liquid *five* minutes, by placing the eye on a level with the surface of the liquid and not above or below it, and noting the *first* line on the stem corresponding to the *general surface* of the liquid, but *not* the line corresponding to the rising of the liquid on the stem by capillary attraction. The reading of the thermometer will also be taken at the same time. As both hydrometer and thermometer may be either *colder* or *warmer* than the surrounding liquid, it is very essential that they should remain at least five minutes in the liquid before their indications are read.

(4) When the temperature is 60° F., the reading of the scale of the saccharometer will give at once the percentage of sugar by weight in the liquid corresponding to the specific gravity thus found. When the temperature, however, varies from this standard, the readings of the saccharometer must be corrected and brought to the standard temperature. For this purpose the officer will refer to Table I, and if the observed temperature is *below* 60° F. he will *subtract* the decimal found in the table in the column headed by the degree in whole numbers nearest to the reading of the saccharometer on the line with the degree at the left of the table corresponding to the noted temperature, and if the observed temperature is *above* 60° F. he will *add* the decimal so found.

FOR EXAMPLE:

	Temperature of observation.	
	Below normal.	Above normal.
Noted temperature	56° F.	75° F.
Reading of saccharometer at noted temperature	13.4	12.6
Correction to be applied as found in Table I	—.11	+.55
Corrected reading of saccharometer at 60° F	13.29	13.15

(5) Fill the cylinder to the mark *exactly* with the liquid under examination and note the temperature; transfer contents of cylinder to evaporating dish (previously washed and dried), and rinse cylinder with a *little pure* water; transfer washings to dish, and again rinse cylinder with some more water, using as little as possible, as time will be lost in the evaporation of the same. Care must be taken not to spill

or lose any of the measured sample or of the washings. Place evaporating dish over flame of alcohol lamp and let the contents evaporate slowly; the operation must not be hurried, as there is danger of the liquid boiling over if too great a heat is applied. Continue the process until at least one-half of the liquid has been driven off, then remove from the flame and let stand until cold. (The evaporation may be continued until more than one-half of the liquid has been expelled, but never to dryness nor to a thick sirup.) When cold, transfer back to measuring cylinder, and wash dish with a little cold water; add washings to contents in cylinder; repeat washings once or twice. Then add enough water to bring the volume to within a quarter of an inch of the mark. The contents of the cylinder are now to be brought *exactly to the temperature noted* when the cylinder was filled with the original liquid, using the same method of cooling as mentioned in (2). When the liquid is at the noted temperature add sufficient water at the same temperature to bring the volume up to the mark, and no more.

[(6) The water to be used in these operations must be either distilled, condensed, rain water, or melted ice. Well and spring water must *not* be used. River water may be employed if no distilled, condensed, rain water, or melted ice be procurable.]

(7) Close the open end of the cylinder with the palm of the hand, and invert the cylinder and its contents slowly four or five times, in order to insure a thorough mixing of the different layers of liquid. Then insert the saccharometer and make the reading as directed in (3) and the calculation as directed in (4). (This will give the percentage of sugar by weight in the liquid.)

(8) The first reading of the saccharometer (4) ascertains the specific gravity of the liquid at 60° F. compared with distilled water at the same temperature, and the second reading of the saccharometer (7) ascertains the density of the dealcoholized liquid or extract at 60° F. Each degree of the saccharometer corresponds to a certain specific gravity (see Table II).

FOR EXAMPLE:

(*a*) Temperature noted of *original liquid*	75° F	
(*b*) Reading of saccharometer in *original liquid*		5.6
(*c*) Correction to be applied for temperature	add	.51
(*d*) Corrected reading of saccharometer at 60° F		6.11

AFTER DEALCOHOLIZATION.

(*e*) Temperature noted	75° F	
(*f*) Reading of saccharometer		12.6
(*g*) Correction to be applied for temperature	add	.55
(*h*) Corrected reading of saccharometer at 60° F		13.15

Result of examination of liquid:

Per cent. by weight of sugar (*h*) 13.15

(9) As both the alcohol and sugar hydrometers are tested by the Office of Weights and Measures, U. S. Coast and Geodetic Survey, and furnished with the necessary corrections at certain readings, officers will have to make out a table of correction for each tenth reading of their hydrometers from the figures given, and thus eliminate instrumental errors. All readings of hydrometers will therefore be first corrected for instrumental errors.

For example, stem 901 is stated to have an error of + 0.32 at 10; + 0.16 at 7.5; + 0.06 at 5.0; − 0.04 at 2.5; and 0.00 at 0.; that is the stem of this hydrometer should read 9.68 instead of 10 as marked on the scale, 7.34 instead of 7.5; 4.94 instead of 5.; 2.54 instead of 2.5, and is correct at 0.

The stated correction is first made (by subtracting plus errors and adding minus errors to the stated graduation), and from these corrected readings a table for the correction of each tenth reading is made out as follows: Subtract the lower corrected reading from the next higher and multiply this difference by 0.04, the result will give the difference to be subtracted from each tenth higher reading. Thus $(9.68-7.34) \times 0.04 = 0.0936$; $(7.34-4.94) \times 0.04 = 0.0960$; $(4.94-2.54) \times 0.04 = 0.0960$, and $(2.54-0.00) \times 0.04 = 0.0916$, and the table would be constructed as follows:

Observed reading.	Corrected reading.	Observed reading.	Corrected reading.	Observed reading.	Corrected reading.	Observed reading.	Corrected reading.	Observed reading.	Corrected reading.
10.0	9.68	8.0	7.81	6.0	5.90	4.0	3.98	2.0	2.03
9.9	9.59	7.9	7.71	5.9	5.80	3.9	3.88	1.9	1.93
9.8	9.49	7.8	7.62	5.8	5.71	3.8	3.79	1.8	1.83
9.7	9.40	7.7	7.53	5.7	5.61	3.7	3.69	1.7	1.73
9.6	9.31	7.6	7.43	5.6	5.52	3.6	3.60	1.6	1.63
9.5	9.21	7.5	7.34	5.5	5.42	3.5	3.50	1.5	1.52
9.4	9.12	7.4	7.24	5.4	5.32	3.4	3.40	1.4	1.42
9.3	9.02	7.3	7.15	5.3	5.23	3.3	3.31	1.3	1.32
9.2	8.93	7.2	7.05	5.2	5.13	3.2	3.21	1.2	1.22
9.1	8.84	7.1	6.96	5.1	5.04	3.1	3.12	1.1	1.12
9.0	8.74	7.0	6.86	5.0	4.94	3.0	3.02	1.0	1.02
8.9	8.65	6.9	6.76	4.9	4.84	2.9	2.92	0.9	0.91
8.8	8.55	6.8	6.67	4.8	4.75	2.8	2.83	0.8	0.81
8.7	8.46	6.7	6.57	4.7	4.65	2.7	2.73	0.7	0.71
8.6	8.37	6.6	6.48	4.6	4.56	2.6	2.64	0.6	0.61
8.5	8.28	6.5	6.38	4.5	4.46	2.5	2.54	0.5	0.51
8.4	8.18	6.4	6.28	4.4	4.36	2.4	2.44	0.4	0.41
8.3	8.09	6.3	6.19	4.3	4.27	2.3	2.34	0.3	0.30
8.2	7.99	6.2	6.09	4.2	4.17	2.2	2.24	0.2	0.20
8.1	7.90	6.1	6.00	4.1	4.08	2.1	2.13	0.1	0.10
								0.0	0.00

TABLE I.—*Correction to be applied to the reading of Balling's saccharometer for different temperatures.*

	Temp., °F.	Degree Balling.																				
		1°	2°	3°	4°	5°	6°	7°	8°	9°	10°	11°	12°	13°	14°	15°	16°	17°	18°	19°	20°	21°
To be subtracted from the indicated degree.	50	.17	.17	.18	.19	.20	.20	.21	.21	.22	.22	.22	.23	.23	.24	.24	.24	.25	.25	.25	.26	.26
	51	.16	.16	.17	.18	.19	.19	.20	.20	.21	.21	.21	.22	.22	.23	.23	.23	.24	.24	.24	.24	.25
	52	.15	.15	.16	.17	.18	.18	.18	.19	.19	.19	.19	.19	.20	.20	.21	.21	.22	.22	.22	.22	.23
	53	.14	.14	.14	.15	.16	.16	.16	.17	.17	.18	.18	.18	.18	.19	.19	.19	.19	.20	.20	.20	.20
	54	.12	.12	.13	.14	.15	.15	.15	.16	.16	.16	.16	.17	.17	.17	.17	.17	.18	.18	.18	.18	.18
	55	.09	.09	.09	.10	.11	.11	.11	.12	.12	.12	.12	.13	.13	.13	.14	.14	.14	.14	.14	.14	.15
	56	.07	.07	.07	.08	.09	.09	.09	.09	.10	.10	.10	.10	.11	.11	.11	.11	.11	.11	.11	.11	.11
	57	.06	.06	.06	.07	.07	.07	.07	.07	.08	.08	.08	.08	.08	.09	.09	.09	.09	.10	.10	.10	.10
	58	.04	.04	.04	.05	.05	.05	.05	.05	.06	.06	.06	.06	.06	.07	.07	.07	.07	.07	.07	.07	.07
	59	.02	.02	.02	.02	.02	.02	.02	.02	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03
	60																					
To be added to the indicated degree.	61	.02	.02	.02	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03
	62	.06	.06	.07	.07	.08	.08	.08	.08	.08	.08	.09	.09	.09	.09	.09	.09	.09	.09	.09	.09	.09
	63	.09	.10	.10	.11	.11	.11	.11	.11	.11	.11	.12	.12	.12	.12	.12	.12	.12	.12	.13	.12	.12
	64	.12	.12	.13	.13	.14	.14	.14	.14	.15	.15	.15	.15	.16	.16	.17	.17	.17	.17	.17	.17	.17
	65	.14	.15	.15	.16	.17	.17	.17	.17	.18	.18	.18	.19	.19	.19	.20	.20	.20	.20	.20	.20	.20
	66	.17	.17	.18	.19	.20	.20	.21	.21	.21	.22	.22	.23	.23	.23	.24	.24	.24	.24	.24	.24	.24
	67	.20	.21	.21	.22	.23	.23	.23	.24	.24	.25	.25	.25	.26	.26	.27	.27	.27	.27	.27	.27	.27
	68	.22	.23	.24	.25	.26	.26	.27	.28	.28	.29	.29	.30	.30	.31	.31	.31	.31	.31	.31	.31	.31
	69	.25	.26	.27	.28	.29	.29	.30	.31	.31	.32	.32	.33	.33	.34	.34	.34	.34	.34	.34	.34	.34
	70	.28	.29	.30	.31	.32	.32	.33	.34	.34	.35	.35	.36	.36	.37	.37	.37	.37	.38	.38	.38	.38
	71	.31	.32	.33	.34	.35	.35	.36	.37	.37	.38	.38	.39	.39	.40	.40	.40	.40	.40	.40	.40	.41
	72	.34	.35	.36	.37	.38	.39	.40	.41	.42	.42	.42	.43	.43	.43	.44	.44	.44	.44	.44	.44	.44
	73	.37	.38	.40	.41	.42	.43	.44	.44	.45	.46	.46	.46	.46	.47	.47	.47	.47	.47	.47	.47	.47
	74	.40	.42	.43	.45	.46	.47	.48	.48	.49	.50	.50	.50	.51	.51	.51	.51	.51	.52	.52	.52	.52
	75	.44	.46	.47	.49	.50	.51	.52	.52	.53	.54	.54	.54	.55	.55	.56	.56	.56	.57	.57	.58	.58
	76	.47	.48	.50	.52	.53	.54	.55	.55	.56	.57	.57	.58	.58	.59	.60	.60	.61	.61	.61	.62	.62
	77	.50	.52	.54	.56	.57	.58	.59	.60	.60	.61	.61	.62	.62	.63	.63	.63	.64	.64	.64	.65	.65
	78	.53	.54	.56	.58	.60	.61	.62	.62	.63	.64	.64	.65	.65	.66	.66	.66	.67	.67	.68	.68	.68
	79	.57	.58	.60	.62	.64	.65	.66	.66	.67	.68	.68	.69	.69	.70	.70	.70	.71	.71	.71	.72	.72
	80	.60	.62	.64	.66	.68	.69	.70	.70	.71	.72	.72	.72	.73	.73	.74	.74	.75	.75	.75	.76	.76

To be added to the indicated degree.																					
81	.63	.65	.67	.69	.71	.72	.73	.73	.74	.75	.75	.76	.76	.77	.78	.78	.79	.79	.79	.79	.79
82	.67	.69	.71	.73	.76	.76	.77	.77	.78	.78	.79	.80	.80	.81	.82	.82	.83	.83	.84	.84	.84
83	.72	.74	.76	.78	.81	.81	.81	.82	.82	.82	.83	.84	.85	.86	.87	.87	.87	.87	.87	.87	.88
84	.77	.79	.81	.83	.86	.86	.86	.86	.87	.87	.88	.89	.90	.91	.92	.92	.93	.93	.93	.93	.94
85	.83	.85	.87	.89	.91	.91	.92	.92	.93	.93	.94	.95	.96	.97	.98	.98	.98	.99	.99	.99	.99
86	.88	.90	.92	.94	.96	.96	.97	.98	.98	.99	1.00	1.01	1.02	1.02	1.03	1.03	1.04	1.04	1.04	1.05	1.05
87	.94	.96	.98	.99	1.01	1.02	1.03	1.03	1.04	1.05	1.05	1.06	1.07	1.07	1.08	1.08	1.09	1.10	1.10	1.11	1.11
88	.99	1.01	1.03	1.04	1.06	1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.12	1.13	1.13	1.14	1.15	1.15	1.16	1.17	1.17
89	1.05	1.07	1.09	1.10	1.11	1.15	1.13	1.14	1.15	1.16	1.16	1.17	1.17	1.18	1.18	1.19	1.21	1.21	1.22	1.23	1.23
90	1.11	1.13	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.23	1.23	1.24	1.24	1.25	1.27	1.28	1.29	1.30	1.30
91	1.15	1.17	1.19	1.20	1.21	1.22	1.23	1.24	1.26	1.27	1.27	1.27	1.28	1.28	1.29	1.30	1.32	1.33	1.34	1.35	1.36
92	1.20	1.22	1.24	1.25	1.26	1.27	1.28	1.30	1.31	1.32	1.32	1.33	1.33	1.34	1.34	1.35	1.37	1.38	1.39	1.40	1.41
93	1.24	1.26	1.28	1.29	1.31	1.32	1.33	1.34	1.36	1.37	1.37	1.38	1.39	1.39	1.40	1.40	1.42	1.43	1.44	1.44	1.45
94	1.29	1.31	1.33	1.35	1.36	1.37	1.39	1.40	1.41	1.42	1.42	1.43	1.44	1.44	1.45	1.45	1.47	1.47	1.48	1.49	1.50
95	1.33	1.35	1.37	1.39	1.41	1.42	1.44	1.45	1.46	1.47	1.47	1.48	1.49	1.49	1.50	1.50	1.51	1.52	1.53	1.54	1.54
96	1.38	1.40	1.42	1.44	1.46	1.47	1.49	1.50	1.51	1.52	1.52	1.53	1.54	1.54	1.55	1.55	1.56	1.57	1.57	1.58	1.58
97	1.42	1.44	1.46	1.48	1.51	1.52	1.54	1.55	1.56	1.57	1.57	1.58	1.59	1.59	1.60	1.60	1.62	1.62	1.63	1.63	1.64
98	1.47	1.49	1.51	1.54	1.56	1.57	1.58	1.59	1.60	1.62	1.63	1.63	1.64	1.64	1.65	1.65	1.66	1.67	1.67	1.68	1.68
99	1.51	1.53	1.55	1.58	1.61	1.62	1.63	1.64	1.66	1.67	1.68	1.68	1.69	1.70	1.71	1.71	1.72	1.73	1.73	1.73	1.74
100	1.55	1.57	1.59	1.62	1.66	1.67	1.68	1.69	1.72	1.72	1.73	1.73	1.74	1.76	1.77	1.77	1.78	1.79	1.79	1.79	1.80

N. B.—The correction for indications between 21° and 30° Balling and 50° and 70° F. temperature may be made by adding 0.005 to each correction given in the above Table, column 21°, for each increase in degree Balling. For instance, 25° Balling 70° F., correction to be added to column 21° and 70°. 0.02+0.38=0.40.

Table II.

Specific gravity at 60° F., corresponding to readings of Balling's saccharometer.

[W. Schultze, Dingler's Polytechnisches Journal, 1878, 230, p. 421.]

Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.
0.00	**1.0000**	1.31	1.0050	2.58	1.0100	3.87	1.0150	5.20	1.0200
0.03	1.0001	1.34	1.0051	2.61	1.0101	3.90	1.0151	5.23	1.0201
0.05	1.0002	1.36	1.0052	2.64	1.0102	3.92	1.0152	5.25	1.0202
0.08	1.0003	1.39	1.0053	2.66	1.0103	3.95	1.0153	5.28	1.0203
0.10	1.0004	1.41	1.0054	2.69	1.0104	3.97	1.0154	5.30	1.0204
0.13	1.0005	1.44	1.0055	2.71	1.0105	**4.00**	**1.0155**	5.33	1.0205
0.16	1.0006	1.46	1.0056	2.74	1.0106	4.03	1.0156	5.35	1.0206
0.18	1.0007	1.49	1.0057	2.76	1.0107	4.05	1.0157	5.38	1.0207
0.21	1.0008	1.51	1.0058	2.79	1.0108	4.08	1.0158	5.40	1.0208
0.24	1.0009	1.54	1.0059	2.82	1.0109	4.10	1.0159	5.43	1.0209
0.26	1.0010	1.56	1.0060	2.84	1.0110	4.13	1.0160	5.45	1.0210
0.29	1.0011	1.59	1.0061	2.87	1.0111	4.16	1.0161	5.48	1.0211
0.31	1.0012	1.62	1.0062	2.89	1.0112	4.18	1.0162	5.50	1.0212
0.34	1.0013	1.64	1.0063	2.92	1.0113	4.21	1.0163	5.53	1.0213
0.37	1.0014	1.67	1.0064	2.94	1.0114	4.23	1.0164	5.55	1.0214
0.39	1.0015	1.69	1.0065	2.97	1.0115	4.26	1.0165	5.57	1.0215
0.42	1.0016	1.72	1.0066	**2.99**	**1.0116**	4.28	1.0166	5.60	1.0216
0.45	1.0017	1.74	1.0067	3.02	1.0117	4.31	1.0167	5.62	1.0217
0.47	1.0018	1.77	1.0068	3.05	1.0118	4.34	1.0168	5.65	1.0218
0.50	1.0019	1.79	1.0069	3.07	1.0119	4.36	1.0169	5.67	1,0219
0.52	1.0020	1.82	1.0070	3.10	1.0120	4.39	1.0170	5.70	1.0220
0.55	1.0021	1.84	1.0071	3.12	1.0121	4.42	1.0171	5.72	1.0221
0.58	1.0022	1.87	1.0072	3.15	1.0122	4.44	1.0172	5.75	1.0222
0.60	1.0023	1.90	1.0073	3.17	1.0123	4.47	1.0173	5.77	1.0223
0.63	1.0024	1.92	1.0074	3.20	1.0124	4.50	1.0174	5.80	1.0224
0.66	1.0025	1.95	1.0075	3.23	1.0125	4.53	1.0175	5.82	1.0225
0.68	1.0026	1.97	1.0076	3.25	1.0126	4.55	1.0176	5.84	1.0226
0.71	1.0027	**2.00**	**1.0077**	3.28	1.0127	4.58	1.0177	5.87	1.0227
0.73	1.0028	2.02	1.0078	3.30	1.0128	4.61	1.0178	5.89	1.0228
0.76	1.0029	2.05	1.0079	3.33	1.0129	4.63	1.0179	5.92	1.0229
0.79	1.0030	2.07	1.0080	3.35	1.0130	4.66	1.0180	5.94	1.0230
0.81	1.0031	2.10	1.0081	3.38	1.0131	4.69	1.0181	5.97	1.0231
0.84	1.0032	2.12	1.0082	3.41	1.0132	4.71	1.0182	**5.99**	**1.0232**
0.87	1.0033	2.15	1.0083	3.43	1.0133	4.74	1.0183	6.02	1.0233
0.89	1.0034	2.17	1.0084	3.46	1.0134	4.77	1.0184	6.04	1.0234
0.92	1.0035	2.20	1.0085	3.48	1.0135	4.79	1.0185	6.07	1.0235
0.94	1.0036	2.23	1.0086	3.51	1.0136	4.82	1.0186	6.09	1.0236
0.97	1.0037	2.25	1.0087	3.54	1.0137	4.85	1.0187	6.11	1.0237
1.00	**1.0038**	2.28	1.0088	3.56	1.0138	4.88	1.0188	6.14	1.0238
1.02	1.0039	2.30	1.0089	3.59	1.0139	4.90	1.0189	6.16	1.0239
1.05	1.0040	2.33	1.0090	3.61	1.0140	4.93	1.0190	6.19	1.0240
1.08	1.0041	2.35	1.0091	3.64	1.0141	4.96	1.0191	6.21	1.0241
1.10	1.0042	2.38	1.0092	3.66	1.0142	4.98	1.0192	6.24	1.0242
1.13	1.0043	2.41	1.0093	3.69	1.0143	**5.01**	**1.0193**	6.26	1.0243
1.15	1.0044	2.43	1.0094	3.72	1.0144	5.04	1.0194	6.29	1.0244
1.18	1.0045	2.46	1.0095	3.74	1.0145	5.06	1.0195	6.31	1.0245
1.21	1.0046	2.48	1.0096	3.77	1.0146	5.09	1.0196	6.34	1.0246
1.23	1.0047	2.51	1.0097	3.79	1.0147	5.12	1.0197	6.36	1.0247
1.26	1.0048	2.53	1.0098	3.82	1.0148	5.15	1.0198	6.39	1.0248
1.29	1.0049	2.56	1.0099	3.85	1.0149	5.17	1,0199	6.41	1.0249

TABLE II—Continued.

Specific gravity at 60° F., corresponding to readings of Balling's saccharometer.

[W. Schultze, Dingler's Polytechnisches Journal, 1878, 230, p. 421.]

Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.
6.44	1.0250	7.71	1.0300	8.94	1.0350	10.16	1.0400	11.40	1.0450
6.47	1.0251	7.73	1.0301	8.97	1.0351	10.18	1.0401	11.43	1.0451
6.50	1.0252	7.75	1.0302	**8.99**	**1.0352**	10.20	1.0402	11.45	1.0452
6.52	1.0253	7.77	1.0303	9.02	1.0353	10.23	1.0403	11.48	1.0453
6.55	1.0254	7.80	1.0304	9.05	1.0354	10.25	1.0404	11.50	1.0454
6.58	1.0255	7.82	1.0305	9.07	1.0355	10.27	1.0405	11.53	1.0455
6.61	1.0256	7.84	1.0306	9.10	1.0356	10.30	1.0406	11.55	1.0456
6.63	1.0257	7.86	1.0307	9.13	1.0357	10.32	1.0407	11.57	1.0457
6.66	1.0258	7.89	1.0308	9.15	1.0358	10.35	1.0408	11.60	1.0458
6.69	1.0259	7.91	1.0309	9.18	1.0359	10.37	1.0409	11.62	1.0459
6.71	1.0260	7.93	1.0310	9.21	1.0360	10.40	1.0410	11.65	1.0460
6.74	1.0261	7.95	1.0311	9.24	1.0361	10.42	1.0411	11.67	1.0461
6.77	1.0262	7.98	1.0312	9.26	1.0362	10.45	1.0412	11.70	1.0462
6.80	1.0263	**8.00**	**1.0313**	9.29	1.0363	10.47	1.0413	11.72	1.0463
6.82	1.0264	8.02	1.0314	9.31	1.0364	10.50	1.0414	11.75	1.0464
6.85	1.0265	8.04	1.0315	9.34	1,0365	10.52	1.0415	11.77	1.0465
6.88	1.0266	8.07	1.0316	9.36	1.0366	10.55	1.0416	11.79	1.0466
6.91	1.0267	8.09	1.0317	9.38	1.0367	10.57	1.0417	11.82	1.0467
6.93	1.0268	8.11	1.0318	9.41	1.0368	10.60	1.0418	11.84	1.0468
6.96	1.0269	8.13	1.0319	9.43	1.0369	10.62	1.0419	11.87	1.0469
6.99	**1.0270**	8.16	1.0320	9.45	1.0370	10.65	1.0420	11.89	1.0470
7.01	1.0271	8.18	1.0321	9.48	1.0371	10.67	1.0421	11.92	1.0471
7.04	1.0272	8.20	1.0322	9.50	1.0372	10.70	1.0422	11.94	1.0472
7.07	1.0273	8.22	1.0323	9.52	1.0373	10.72	1.0423	11.97	1.0473
7.10	1.0274	8.25	1.0324	9.55	1.0374	10.75	1.0424	11.99	1.0474
7.12	1.0275	8.27	1.0325	9.57	1.0375	10.77	1.0425	**12.01**	**1.0475**
7.15	1.0276	8.29	1.0326	9.59	1.0376	10.80	1.0426	12.04	1.0476
7.18	1.0277	8.32	1.0327	9.62	1.0377	10.82	1.0427	12.06	1.0477
7.21	1.0278	8.34	1.0328	9.64	1.0378	10.85	1.0428	12.09	1.0478
7.23	1.0279	8.37	1.0329	9.66	1.0379	10.88	1.0429	12.11	1.0479
7.26	1.0280	8.40	1.0330	9.69	1.0380	10.90	1.0430	12.14	1.0480
7.28	1.0281	8.43	1.0331	9.71	1.0381	10.93	1.0431	12.16	1.0481
7.30	1.0282	8.45	1.0332	9.73	1.0382	10.95	1.0432	12.19	1.0482
7.33	1.0283	8.48	1.0333	9.76	1.0383	10.98	1.0433	12.21	1.0483
7.35	1.0284	8.51	1.0334	9.78	1.0384	**11.00**	**1.0434**	12.23	1.0484
7.37	1.0285	8.53	1.0335	9.81	1.0385	11.03	1.0435	12.26	1.0485
7.39	1.0286	8.56	1.0336	9.83	1.0386	11.05	1.0436	12.28	1.0486
7.42	1.0287	8.59	1.0337	9.85	1.0387	11.08	1.0437	12.31	1.0487
7.44	1.0288	8.61	1.0338	9.88	1.0388	11.10	1.0438	12.33	1.0488
7.46	1.0289	8.64	1.0339	9.90	1.0389	11.13	1.0439	12.36	1.0489
7.48	1.0290	8.67	1.0340	9.92	1.0390	11.15	1.0440	12.38	1.0490
7.51	1.0291	8.70	1.0341	9.95	1.0391	11.18	1.0441	12.41	1.0491
7.53	1.0292	8.72	1.0342	9.97	1.0392	11.20	1.0442	12.43	1.0492
7.55	1.0293	8.75	1.0343	**9.99**	**1.0393**	11.23	1.0443	12.45	1.0493
7.57	1.0294	8.78	1.0344	10.02	1.0394	11.25	1.0444	12.48	1.0494
7.60	1.0295	8.80	1.0345	10.04	1.0395	11.28	1.0445	12.50	1.0495
7.62	1.0296	8.83	1.0346	10.06	1.0396	11.30	1.0446	12.53	1.0496
7.64	1.0297	8.86	1.0347	10.09	1.0397	11.33	1.0447	12.55	1.0497
7.66	1.0298	8.88	1.0348	10.11	1.0398	11.35	1.0448	12.58	1.0498
7.69	**1.0299**	**8.91**	**1.0349**	**10.13**	**1.0399**	**11.38**	**1.0449**	**12.60**	**1.0499**

TABLE II—Continued.

Specific gravity at 60° F., corresponding to readings of Balling's sacchariometer.

[W. Schultze. Dingler's Polytechnisches Journal, 1878, 230, p. 421.]

Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.
12.63	1.0500	13.86	1.0550	15.14	1.0600	16.25	1.0650	17.48	1.0700
12.65	1.0501	13.88	1.0551	15.16	1.0601	16.27	1.0651	17.50	1.0701
12.67	1.0502	13.91	1.0552	15.18	1.0602	16.30	1.0652	17.52	1.0702
12.70	1.0503	13.93	1.0553	15.20	1.0603	16.32	1.0653	17.54	1.0703
12.72	1.0504	13.96	1.0554	15.23	1.0604	16.35	1.0654	17.57	1.0704
12.75	1.0505	13.98	1.0555	15.25	1.0605	16.37	1.0655	17.59	1.0705
12.77	1.0506	**14.01**	**1.0556**	15.27	1.0606	16.40	1.0656	17.61	1.0706
12.80	1.0507	14.03	1.0557	15.29	1.0607	16.42	1.0657	17.63	1.0707
12.82	1.0508	14.06	1.0558	15.31	1.0608	16.45	1.0658	17.66	1.0708
12.85	1.0509	14.08	1.0559	15.34	1.0609	16.47	1.0659	17.68	1.0709
12.87	1.0510	14.11	1.0560	15.36	1.0610	16.50	1.0660	17.70	1.0710
12.90	1.0511	14.13	1.0561	15.38	1.0611	16.52	1.0661	17.72	1.0711
12.92	1.0512	14.16	1.0562	15.40	1.0612	16.54	1.0662	17.75	1.0712
12.94	1.0513	14.18	1.0563	15.43	1.0613	16.57	1.0663	17.77	1.0713
12.97	1.0514	14.21	1.0564	15.45	1.0614	16.59	1.0664	17.79	1.0714
12.99	**1.0515**	14.23	1.0565	15.47	1.0615	16.62	1.0665	17.81	1.0715
13.02	1.0516	14.26	1.0566	15.49	1.0616	16.64	1.0666	17.84	1.0716
13.04	1.0517	14.28	1.0567	15.52	1.0617	16.67	1.0667	17.86	1.0717
13.07	1.0518	14.31	1.0568	15.54	1.0618	16.69	1.0668	17.88	1.0718
13.09	1.0519	14.33	1.0569	15.56	1.0619	16.72	1.0669	17.90	1.0719
13.12	1.0520	14.36	1.0570	15.58	1.0620	16.74	1.0670	17.93	1.0720
13.14	1.0521	14.38	1.0571	15.60	1.0621	16.76	1.0671	17.95	1.0721
13.16	1.0522	14.41	1.0572	15.63	1.0622	16.79	1.0672	17.97	1.0722
13.19	1.0523	14.44	1.0573	15.65	1.0623	16.81	1.0673	**17.99**	**1.0723**
13.21	1.0524	14.46	1.0574	15.67	1.0624	16.84	1.0674	18.02	1.0724
13.24	1.0525	14.49	1.0575	15.69	1.0625	16.86	1.0675	18.04	1.0725
13.26	1.0526	14.52	1.0576	15.72	1.0626	16.89	1.0676	18.06	1.0726
13.29	1.0527	14.54	1.0577	15.74	1.0627	16.91	1.0677	18.08	1.0727
13.31	1.0528	14.57	1.0578	15.76	1.0628	16.94	1.0678	18.11	1.0728
13.34	1.0529	14.59	1.0579	15.78	1.0629	16.96	1.0679	18.13	1.0729
13.36	1.0530	14.62	1.0580	15.80	1.0630	**16.99**	**1.0680**	18.15	1.0730
13.38	1.0531	14.65	1.0581	15.83	1.0631	17.01	1.0681	18.17	1.0731
13.41	1.0532	14.67	1.0582	15.85	1.0632	17.03	1.0682	18.20	1.0732
13.43	1.0533	14.70	1.0583	15.87	1.0633	17.06	1.0683	18.22	1.0733
13.46	1.0534	14.73	1.0584	15.89	1.0634	17.08	1.0684	18.24	1.0734
13.48	1.0535	14.75	1.0585	15.92	1.0635	17.11	1.0685	18.26	1.0735
13.51	1.0536	14.78	1.0586	15.94	1.0636	17.13	1.0686	18.29	1.0736
13.53	1.0537	14.81	1.0587	15.96	1.0637	17.16	1.0687	18.31	1.0737
13.56	1.0538	14.83	1.0588	15.98	1.0638	17.18	1.0688	18.33	1.0738
13.58	1.0539	14.86	1.0589	**16.01**	**1.0639**	17.21	1.0689	18.35	1.0739
13.61	1.0540	14.89	1.0590	16.03	1.6040	17.23	1.0690	18.38	1.0740
13.63	1.0541	14.91	1.0591	16.05	1.6041	17.25	1.0691	18.40	1.0741
13.66	1.0542	14.94	1.0592	16.07	1.6042	17.28	1.0692	18.42	1.0742
13.68	1.0543	14.96	1.0593	16.09	1.6043	17.30	1.0693	18.44	1.0743
13.71	1.0544	**14.99**	**1.0594**	16.12	1.6044	17.33	1.0694	18.47	1.0744
13.73	1.0545	15.02	1.0595	16.14	1.0645	17.35	1.0695	18.49	1.0745
13.76	1.0546	15.04	1.0596	16.16	1.0646	17.38	1.0696	18.51	1.0746
13.78	1.0547	15.07	1.0597	16.18	1.0647	17.40	1.0697	18.53	1.0747
13.81	1.0548	15 09	1.0598	16.21	1.0648	17.43	1.0698	18.55	1.0748
13.83	1.0549	15.11	1.0599	16.23	1.0649	17.45	1.0699	18.57	1.0749

TABLE II—Continued.

Specific gravity at 60° F., corresponding to readings of Balling's sacchariometer.

[W. Schultze. Dingler's Polytechnisches Journal, 1878, 230, p. 421.]

Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.	Balling.	Specific gravity.
18.59	1.0750	19.33	1.0785	20.6	1.0841	24.1	1.0999	27.6	1.1161
18.62	1.0751	19.36	1.0786	20.7	1.0845	24.2	1.1003	27.7	1.1166
18.64	1.0752	19.38	1.0787	20.8	1.0850	24.3	1.1008	27.8	1.1170
18.66	1.0753	19.40	1.0788	20.9	1.0854	24.4	1.1012	27.9	1.1175
18.68	1.0754	19.42	1.0789	**21.0**	**1.0859**	24.5	1.1017	**28.0**	**1.1180**
18.70	1.0755	19.44	1.0790	21.1	1.0863	24.6	1.1022	28.1	1.1184
18.72	1.0756	19.46	1.0791	21.2	1.0867	24.7	1.1026	28.2	1.1189
18.74	1.0757	19.49	1.0792	21.3	1.0872	24.8	1.1031	28.3	1.1194
18.76	1.0758	19.51	1.0793	21.4	1.0876	24.9	1.1035	28.4	1.1198
18.78	1.0759	19.53	1.0794	21.5	1.0881	**25.0**	**1.1040**	28.5	1.1203
18.81	1.0760	19.56	1.0795	21.6	1.0885	25.1	1.1045	28.6	1.1208
18.83	1.0761	19.58	1.0796	21.7	1.0890	25.2	1.1049	28.7	1.1213
18.85	1.0762	19.60	1.0797	21.8	1.0894	25.3	1.1054	28.8	1.1217
18.87	1.0763	19.63	1.0798	21.9	1.0899	25.4	1.1058	28.9	1.1222
18.89	1.0764	19.65	1.0799	**22.0**	**1.0903**	25.5	1.1063	**29.0**	**1.1227**
18.91	1.0765	19.67	1.0800	22.1	1.0908	25.6	1.1068	29.1	1.1232
18.93	1.0766	19.70	1.0801	22.2	1.0912	25.7	1.1072	29.2	1.1236
18.95	1.0767	19.72	1.0802	22.3	1.0917	25.8	1.1077	29.3	1.1241
18.97	1.0768	19.74	1.0803	22.4	1.0921	25.9	1.1082	29.4	1.1246
19.00	**1.0769**	19.77	1.0804	22.5	1.0926	**26.0**	**1.1086**	29.5	1.1251
19.02	1.0770	19.79	1.0805	22.6	1.0931	26.1	1.1091	29.6	1.1255
19.04	1.0771	19.81	1.0806	22.7	1.0935	26.2	1.1096	29.7	1.1260
19.06	1.0772	19.84	1.0807	22.8	1.0940	26.3	1.1100	29.8	1.1265
19.08	1.0773	19.86	1.0808	22.9	1.0944	26.4	1.1105	29.9	1.1270
19.10	1.0774	19.88	1.0809	**23.0**	**1.0949**	26.5	1.1109	**30.0**	**1.1274**
19.12	1.0775	19.91	1.0810	23.1	1.0953	26.6	1.1114		
19.14	1.0776	19.93	1.0811	23.2	1.0958	26.7	1.1119		
19.17	1.0777	19.96	1.0812	23.3	1.0962	26.8	1.1123		
19.19	1.0778	19.98	1.0813	23.4	1.0967	26.9	1.1128		
19.21	1.0779	**20.0**	**1.0814**	23.5	1.0971	**27.0**	**1.1133**		
19.23	1.0780	20.1	1.0818	23.6	1.0976	27.1	1.1137		
19.25	1.0781	20.2	1.0823	23.7	1.0980	27.2	1.1142		
19.27	1.0782	20.3	1.0827	23.8	1.0985	27.3	1.1147		
19.29	1.0783	20.4	1.0832	23.9	1.0990	27.4	1.1151		
19.31	1.0784	20.5	1.0836	**24.0**	**1.0994**	27.5	1.1165		

METHOD FOR DETERMINING ALCOHOL.

The following precautions are to be observed:

1. The apparatus (still, receiver, measuring cylinders, alcoholometers, thermometer) must be clean and dry before they are used for a determination. For this purpose they will be thoroughly washed with clear water, and wiped dry with a towel after each determination.

2. The temperature of the liquid under examination should always be brought as near as possible to the temperature at which the instruments are standardized, in order to reduce the sources of errors in the determination. For this purpose, where the temperature of the liquid is higher than the standard (60° F.), the sample may be placed in a copper or thin glass cylinder or other vessel, and surrounded with cold water until the temperature is sufficiently lowered; and in case the temperature of the liquid is lower than the standard, a little tepid water may be used in which to place the cylinder. The corrections found in Tables I and IV may, however, be applied when the temperature of the liquid is not above 70° F., or below 50° F.; in all other cases the temperature of the liquid under examination should be brought within these limits by the methods above given before proceeding with the determination of the specific gravity by the hydrometer.

3. The distillation should be conducted at as low a temperature as possible, so as to avoid frothing or priming in the still. It must not be hurried, with consequent loss of alcohol by imperfect condensation.

4. The condenser should, when in use, be kept filled with cold water. If the water used for condensation is above 80° F., ice should be added to cool it down. The water should be kept circulating through the condenser during the distillation.

5. All measurements of the liquid should always be made as near as possible to the standard temperature, 60° F., otherwise sources of error are introduced into the determination.

6. The distillate should, after the necessary dilution with distilled water at 60° F., be thoroughly mixed by closing the open end of the receiver with the palm of the hand, and inverting the receiver and its contents four or five times before attempting to make a reading with the alcoholometer.

7. Especial care must be taken that the mixture of alcohol and water (the distillate) is brought back exactly to the volume and temperature at which the original measurement of the wine was made, and no attempt should be made to determine the specific gravity of the distillate until these conditions are exactly attained.

8. The hands must be perfectly clean. The least foreign matter, especially any of a fatty nature, if brought in contact with either the stem of the alcoholometer or thermometer, or with the surface of the alcohol itself, changes the indications of the alcoholometer and makes the readings too high. For this reason the alcoholometer and ther-

mometer should be fingered as little as possible, and must be cleaned before they are used.

9. Readings of the thermometer and hydrometers must not be made until after the expiration of at least 5 minutes to allow of the instruments attaining the same temperature as the surrounding liquid.

10. The data necessary for the calculation: *a*, specific gravity of the original liquid at 60° F., obtained from the corrected reading of the Balling saccharometer (Table II); *b*, specific gravity of the distillate at 60° F. (Table III), corresponding to the corrected reading of the alcoholometer *c* (Table IV), whence

$$\frac{b \times c}{a} = x$$

or the percentage by volume of absolute alcohol in the original wine.

As all sweet wines are heavier than water the readings of the alcoholometer in the distillates are always too high, and consequently the specific gravity of the wine must be ascertained and the necessary correction made to arrive at the approximate contents.

Directions for making the alcohol determination:

1. Fill the measuring cylinder to the upper mark with the liquid to be tested (having previously ascertained the temperature of the liquid and the reading of the Balling saccharometer in the liquid), the bottom of the meniscus* being on the level with the mark, then empty the measured liquid into the still, letting it drain as completely as possible, then fill the cylinder with one-half of the original volume (the lower mark) with water (distilled, condensed), and rinse it out, pouring the water into the contents of the still. The measuring of both volumes must be exact.

2. Close the still and make all the connections tight, fill the condenser with cold water and light the alcohol lamp.

3. Continue the distillation until the original volume taken has been collected in the receiver. Put out the light. Mix the contents of the receiver thoroughly (see precautions 5–9 above). Insert the alcoholometer and take the reading of the thermometer and hydrometer. Be careful not to carry the distillation further than filling the receiver to the mark. The distillation may be stopped one or two drops before the distillate has reached the mark and the volume brought to the mark with water (distilled, condensed).

4. If the distillation is hurried so that the liquid foams and the distillate becomes colored, the operation must be stopped, the still and condenser thoroughly cleaned, and another volume of the liquid taken. It will generally be found that after half the liquid is distilled the distillate will become cloudy or milky, but such cloudiness does not affect the specific gravity essentially.

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* The surface of the liquid as seen from above is not quite level, as it rises at the side of the flask and around the hydrometer stem. The rising at the sides give the surface a crescent shape, hence the name "meniscus." The horns of the crescent rise above the level surface of the liquid, hence the direction to look across the bottom of the meniscus, where the horns do not prevent a clear view of the level portion of the surface.

5. Take the reading of the alcoholometer and thermometer, and correct the reading of the former for the observed temperature, according to Table IV. Then

Corrected reading of the alcoholometer multiplied by the specific gravity of absolute alcohol corresponding to this reading, as found in Table III, and the product divided by the specific gravity of the wine, corresponding to the corrected reading of the Balling saccharometer as found in Table II equals the percentage by volume of the absolute alcohol in the original wine.

FOR EXAMPLE.

6. *a.* Temperature noted of original liquid ..... 65° F.
b. Reading of saccharometer in original liquid 5.60
c. Correction to be applied for temperature ..... add 0.17
d. Corrected reading of saccharometer at 60° F 5.77
e. Specific gravity corresponding to corrected reading of saccharometer, Table II 1.0223
f. Temperature noted of distillate ..... 65° F.
g. Reading of alcoholometer 22.95
h. Corrected for temperature (subtract 0.95) 22.00
k. Specific gravity, corresponding to corrected reading, Table III 0.97406

$$\frac{h \times k}{e} = l \quad \frac{22.00 \times 0.97406}{1.0223} =$$

l. Per cent. of absolute alcohol *by volume* contained in original liquid 20.96

7. When the wine is in an active state of fermentation and the wine maker proposes to use nearly the maximum amount of brandy to fortify it, a correction will have to be made to the result of the analysis for the additional amount of alcohol that has been produced by the fermentation during the time that has elapsed since the sample was measured out for distillation. The gauger, therefore, will immediately before the brandy is poured into the vat containing the wine withdraw a sample and make a reading with the Balling saccharometer. If this second reading, duly corrected for temperature, is lighter than the first reading of the wine taken for analysis, likewise corrected for temperature, then he will multiply the difference thus found by 3, which will approximately give the amount of alcohol by volume that has been produced by the fermentation. This percentage is to be added to that already obtained by the distillation, and the amount of brandy to be added decreased accordingly.

TABLE III.—*Specific gravity of alcohol by volume at 60° F.*

Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.
1.00000	**0.00**	**.99629**	**2.50**	**.99281**	**5.00**	**.98959**	**7.50**	**.98665**	**10.00**	**.98381**	**12.50**
0.99992	.05	622	.55	274	.05	953	.55	654	.05	375	.55
984	.10	615	.60	268	.10	947	.60	649	.10	370	.60
976	.15	607	.65	261	.15	940	.65	643	.15	364	.65
968	.20	600	.70	255	.20	934	.70	637	.20	359	.70
961	.25	593	.75	248	.25	928	.75	632	.25	353	.75
953	.30	586	.80	241	.30	922	.80	626	.30	348	.80
945	.35	579	.85	235	.35	916	.85	620	.35	342	.85
937	.40	571	.90	228	.40	909	.90	614	.40	337	.90
930	.45	564	.95	222	.45	903	.95	609	.45	331	.95
.99923	**0.50**	**.99557**	**3.00**	**.99215**	**5.50**	**.98897**	**8.00**	**.98603**	**10.50**	**.98326**	**13.00**
915	.55	550	.05	208	.55	891	.05	597	.55	321	.05
907	.60	543	.10	202	.60	885	.10	592	.60	315	.10
900	.65	536	.15	195	.65	879	.15	586	.65	310	.15
892	.70	529	.20	189	.70	873	.20	580	.70	305	.20
884	.75	522	.25	182	.75	867	.25	575	.75	299	.25
877	.80	515	.30	175	.80	861	.30	569	.80	294	.30
869	.85	508	.35	169	.85	855	.35	563	.85	289	.35
861	.90	501	.40	162	.90	849	.40	557	.90	283	.40
854	.95	494	.45	156	.95	843	.45	552	.95	278	.45
.99849	**1.00**	**.99487**	**3.50**	**.99149**	**6.00**	**.98837**	**8.50**	**.98546**	**11.00**	**.98273**	**13.50**
842	.05	480	.55	143	.05	831	.55	540	.05	267	.55
834	.10	473	.60	136	.10	825	.60	535	.10	262	.60
827	.15	466	.65	130	.15	819	.65	529	.15	256	.65
819	.20	459	.70	123	.20	813	.70	524	.20	251	.70
812	.25	452	.75	117	.25	807	.75	518	.25	246	.75
805	.30	445	.80	111	.30	801	.80	513	.30	240	.80
797	.35	438	.85	104	.35	795	.85	507	.35	235	.85
790	.40	431	.90	098	.40	789	.90	502	.40	230	.90
782	.45	424	.95	091	.45	783	.95	496	.45	224	.95
.99775	**1.50**	**.99417**	**4.00**	**.99085**	**6.50**	**.98777**	**9.00**	**.98491**	**11.50**	**.98219**	**14.00**
768	.55	410	.05	079	.55	771	.05	485	.55	214	.05
760	.60	403	.10	072	.60	765	.10	479	.60	209	.10
753	.65	397	.15	066	.65	759	.15	474	.65	203	.15
745	.70	390	.20	059	.70	754	.20	468	.70	198	.20
738	.75	383	.25	053	.75	748	.25	463	.75	193	.25
731	.80	376	.30	047	.80	742	.30	457	.80	188	.30
723	.85	369	.35	040	.85	736	.35	452	.85	182	.35
716	.90	363	.40	034	.90	730	.40	446	.90	177	.40
708	.95	356	.45	027	.95	724	.45	441	.95	172	.45
.99701	**2.00**	**.99349**	**4.50**	**.99021**	**7.00**	**.98719**	**9.50**	**.98435**	**12.00**	**.98167**	**14.50**
694	.05	342	.55	015	.05	713	.55	430	.05	161	.55
687	.10	335	.60	009	.10	707	.60	424	.10	156	.60
679	.15	329	.65	002	.15	701	.65	419	.15	151	.65
672	.20	322	.70	.98996	.20	695	.70	413	.20	146	.70
665	.25	315	.75	990	.25	689	.75	408	.25	140	.75
658	.30	308	.80	984	.30	683	.80	402	.30	135	.80
651	.35	301	.85	978	.35	678	.85	397	.35	130	.85
643	.40	295	.90	971	.40	672	.90	391	.40	125	.90
636	**.45**	**288**	**.95**	**965**	**.45**	**666**	**.95**	**386**	**.45**	**119**	**.95**

TABLE III.—*Specific gravity of alcohol by volume at 60° F.*—Continued.

Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.	Specific gravity at 60° F.	Per cent. alcohol by volume.
.98114	**15.00**	**.97859**	**17.50**	**.97608**	**20.00**	**.97355**	**22.50**	**.97097**	**25.00**	**.96828**	**27.50**
108	.05	853	.55	603	.05	350	.55	092	.05	822	.55
104	.10	848	.60	598	.10	345	.60	086	.10	816	.60
099	.15	843	.65	593	.15	340	.65	081	.15	811	.65
093	.20	838	.70	588	.20	335	.70	076	.20	805	.70
088	.25	833	.75	583	.25	330	.75	071	.25	800	.75
083	.30	828	.80	578	.30	324	.80	065	.30	794	.80
078	.35	823	.85	573	.35	319	.85	060	.35	789	.85
073	.40	818	.90	568	.40	314	.90	055	.40	783	.90
068	.45	813	.95	563	.45	309	.95	049	.45	778	.95
.98063	**15.50**	**.97808**	**18.00**	**.97558**	**20.50**	**.97304**	**23.00**	**.97044**	**25.50**	**.96772**	**28.00**
057	.55	803	.05	552	.55	299	.05	039	.55	766	.05
052	.60	798	.10	547	.60	294	.10	033	.60	761	.10
047	.65	793	.15	542	.65	289	.15	028	.65	755	.15
042	.70	788	.20	537	.70	283	.20	023	.70	749	.20
037	.75	783	.25	532	.75	278	.25	018	.75	744	.25
032	.80	778	.30	527	.80	273	.30	012	.80	738	.30
026	.85	773	.35	522	.85	268	.35	007	.85	732	.35
021	.90	768	.40	517	.90	263	.40	001	.90	726	.40
016	.95	763	.45	512	.95	258	.45	.96996	.95	721	.45
.98011	**16.00**	**.97758**	**18.50**	**.97507**	**21.00**	**.97253**	**23.50**	**.96991**	**26.00**	**.96715**	**28.50**
005	.05	753	.55	502	.05	247	.55	986	.05	709	.55
001	.10	748	.60	497	.10	242	.60	980	.10	704	.60
.97996	.15	743	.65	492	.15	237	.65	975	.15	698	.65
991	.20	738	.70	487	.20	232	.70	969	.20	692	.70
986	.25	733	.75	482	.25	227	.75	964	.25	687	.75
980	.30	728	.80	477	.30	222	.80	959	.30	681	.80
975	.35	723	.85	472	.35	216	.85	953	.35	675	.85
970	.40	718	.90	467	.40	211	.90	949	.40	669	.90
965	.45	713	.95	462	.45	206	.95	942	.45	664	.95
.97960	**16.50**	**.97708**	**19.00**	**.97457**	**21.50**	**.97201**	**24.00**	**.96937**	**26.50**	**.96658**	**29.00**
955	.55	703	.05	451	.55	196	.05	932	.55	652	.05
950	.60	698	.10	446	.60	191	.10	926	.60	646	.10
945	.65	693	.15	441	.65	185	.15	921	.65	640	.15
940	.70	688	.20	436	.70	180	.20	915	.70	635	.20
935	.75	683	.25	431	.75	175	.25	910	.75	629	.25
929	.80	678	.30	426	.80	170	.30	905	.80	623	.30
924	.85	673	.35	421	.85	165	.35	899	.85	617	.35
919	.90	668	.40	416	.90	159	.40	894	.90	611	.40
914	.95	663	.45	411	.95	154	.45	888	.95	605	.45
.97909	**17.00**	**.97658**	**19.50**	**.97406**	**22.00**	**.97149**	**24.50**	**.96883**	**27.00**	**.96600**	**29.50**
904	.05	653	.55	401	.05	144	.55	877	.05	594	.55
899	.10	648	.60	396	.10	139	.60	872	.10	588	.60
894	.15	643	.65	391	.15	133	.65	866	.15	582	.65
889	.20	638	.70	386	.20	128	.70	861	.20	576	.70
884	.25	633	.75	381	.25	123	.75	855	.25	570	.75
879	.30	628	.80	375	.30	118	.80	850	.30	564	.80
874	.35	623	.85	370	.35	113	.85	844	.35	559	.85
869	.40	618	.90	365	.40	107	.90	839	.40	553	.90
864	.45	613	.95	360	.45	102	.95	833	.45	547	.95

TABLE III.—*Specific gravity of alcohol by volume at* 60° *F.*—Continued.

Specific gravity at $\frac{60}{60}$° F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60}{60}$° F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60}{60}$° F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60}{60}$° F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60}{60}$° F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60}{60}$° F.	Per cent. alcohol by volume.
.96541	**30.00**	**.96235**	**32.50**	**.95910**	**35.00**	**.95560**	**37.50**	**.95185**	**40.00**	**.94786**	**42.50**
535	.05	229	.55	903	.05	552	.55	177	.05	778	.55
529	.10	222	.60	896	.10	545	.60	169	.10	770	.60
523	.15	216	.65	889	.15	538	.65	161	.15	761	.65
517	.20	210	.70	883	.20	531	.70	154	.20	753	.70
511	.25	204	.75	876	.25	523	.75	146	.25	745	.75
505	.30	197	.80	869	.30	516	.80	138	.30	737	.80
499	.35	191	.85	862	.35	509	.85	130	.35	729	.85
493	.40	185	.90	855	.40	502	.90	122	.40	720	.90
487	.45	178	.95	848	.45	494	.95	114	.45	712	.95
.96481	**30.50**	**.96172**	**33.00**	**.95842**	**35.50**	**.95487**	**38.00**	**.95107**	**40.50**	**.94704**	**43.00**
475	.55	166	.05	835	.55	480	.05	099	.55	696	.05
469	.60	159	.10	828	.60	472	.10	091	.60	687	.10
463	.65	153	.15	821	.65	465	.15	083	.65	679	.15
457	.70	146	.20	814	.70	457	.20	075	.70	670	.20
451	.75	140	.25	807	.75	450	.25	067	.75	662	.25
445	.80	133	.30	800	.80	442	.30	059	.80	654	.30
439	.85	127	.35	794	.85	435	.35	052	.85	645	.35
433	.90	120	.40	787	.90	427	.40	044	.90	637	.40
427	.95	114	.45	780	.95	420	.45	036	.95	628	.45
.96421	**31.00**	**.96108**	**33.50**	**.95773**	**36.00**	**.95413**	**38.50**	**.95028**	**41.00**	**.94620**	**43.50**
415	.05	101	.55	766	.05	405	.55	020	.05	612	.55
409	.10	095	.60	759	.10	398	.60	012	.10	603	.60
403	.15	088	.65	752	.15	390	.65	004	.15	595	.65
396	.20	082	.70	745	.20	383	.70	.94996	.20	586	.70
390	.25	075	.75	738	.25	375	.75	988	.25	578	.75
384	.30	069	.80	731	.30	368	.80	980	.30	570	.80
378	.35	062	.85	724	.35	360	.85	972	.35	561	.85
372	.40	056	.90	717	.40	353	.90	964	.40	553	.90
366	.45	049	.95	710	.45	345	.95	956	.45	544	.95
.96360	**31.50**	**.96043**	**34.00**	**.95703**	**36.50**	**.95338**	**39.00**	**.94948**	**41.50**	**.94536**	**44.00**
353	.55	036	.05	695	.55	330	.05	940	.55	527	.05
347	.60	030	.10	688	.60	323	.10	932	.60	519	.10
341	.65	023	.15	681	.65	315	.15	924	.65	510	.15
335	.70	016	.20	674	.70	307	.20	916	.70	502	.20
329	.75	010	.25	667	.75	300	.25	908	.75	493	.25
323	.80	003	.30	660	.80	292	.30	900	.80	484	.30
316	.85	.95996	.35	653	.85	284	.35	892	.85	476	.35
310	.90	990	.40	640	.90	277	.40	884	.90	467	.40
304	.95	883	.45	639	.95	269	.45	876	.95	459	.45
.96298	**32.00**	**.95977**	**34.50**	**.95632**	**37.00**	**.95262**	**39.50**	**.94868**	**42.00**	**.94450**	**44.50**
292	.05	970	.55	625	.05	254	.55	860	.05	441	.55
285	.10	963	.60	618	.10	246	.60	852	.10	433	.60
279	.15	957	.65	610	.15	239	.65	843	.15	424	.65
273	.20	950	.70	603	.20	231	.70	835	.20	416	.70
267	.25	943	.75	596	.25	223	.75	827	.25	407	.75
260	.30	937	.80	589	.30	216	.80	819	.30	398	.80
254	.35	930	.85	581	.35	208	.85	811	.35	390	.85
248	.40	923	.90	574	.40	200	.90	802	.40	381	.90
241	.45	917	.95	567	.45	193	.95	794	.45	373	.95

TABLE III.—*Specific gravity of alcohol by volume at* 60° *F.*—Continued.

Specific gravity at $\frac{60°}{60°}$F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60°}{60°}$ F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60°}{60°}$ F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60°}{60°}$ F.	Per cent. alcohol by volume.	Specific gravity at $\frac{60°}{60°}$ F.	Per cent. alcohol by volume.
.94364	**45.00**	**.94188**	**46.00**	**.94008**	**47.00**	**.93824**	**48.00**	**.93636**	**49.00**
355	.05	179	.05	.93999	.05	815	.05	626	.05
346	.10	170	.10	990	.10	805	.10	617	.10
338	.15	161	.15	980	.15	796	.15	607	.15
329	.20	152	.20	971	.20	786	.20	598	.20
320	.25	143	.25	962	.25	777	.25	588	.25
311	.30	134	.30	953	.30	768	.30	578	.30
302	.35	125	.35	944	.35	758	.35	569	.35
294	.40	116	.40	934	.40	749	.40	559	.40
285	.45	107	.45	925	.45	739	45	550	.45
.94276	**45.50**	**.94098**	**46.50**	**.93916**	**47.50**	**.93730**	**48.50**	**.93540**	**49.50**
267	.55	089	.55	906	.55	721	.55	530	.55
258	.60	080	.60	898	.60	711	.60	521	.60
250	.65	071	.65	888	.65	702	.65	511	.65
241	.70	062	.70	879	.70	692	.70	502	.70
232	.75	053	.75	870	.75	683	.75	492	.75
223	.80	044	.80	861	.80	674	.80	482	.80
214	.85	035	.85	852	.85	664	.85	473	.85
206	.90	026	.90	842	.90	655	.90	463	.90
197	.95	017	.95	833	.95	645	.95	454	.95

TABLE IV.—*Correction to be applied to the reading of the alcoholometer for different temperatures.*

	° F.	1 P.ct.	2 P.ct.	3 P.ct.	4 P.ct.	5 P.ct.	6 P.ct.	7 P.ct.	8 P.ct.	9 P.ct.	10 P.ct.	11 P.ct.	12 P.ct.	13 P.ct.	14 P.ct.	15 P.ct.
To be added to the observed indication.	50	0.40	0.40	0.40	0.40	0.45	0.50	0.55	0.55	0.60	0.70	0.75	0.85	0.90	1.00	1.10
	51	.35	.35	.35	.35	.40	.45	.50	.50	.55	.65	.70	.75	.80	.90	1.00
	52	.35	.35	.35	.35	.35	.40	.45	.45	.50	.55	.60	.70	.75	.80	.90
	53	.30	.30	.30	.30	.35	.40	.40	.45	.45	.50	.55	.60	.65	.75	.80
	54	.30	.30	.30	.30	.30	.35	.35	.40	.40	.40	.45	.55	.60	.65	.70
	55	.25	.25	.25	.25	.25	.30	.30	.35	.35	.35	.40	.45	.50	.55	.60
	56	.20	.20	.20	.20	.20	.25	.25	.30	.30	.30	.30	.35	.40	.45	.50
	57	.15	.15	.15	.15	.15	.20	.20	.20	.20	.20	.25	.25	.30	.35	.35
	58	.10	.10	.10	.10	.10	.10	.10	.15	.15	.15	.15	.20	.20	.20	.25
	59	.05	.05	.05	.05	.05	.05	.05	.05	.05	.05	.10	.10	.10	.10	.10
To be subtracted from the observed indication.	60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	61	.05	.05	.05	.05	.05	.05	.05	.10	.10	.10	.10	.10	.10	.10	.10
	62	.10	.10	.10	.10	.15	.15	.15	.15	.15	.20	.20	.20	.20	.20	.25
	63	.15	.20	.20	.20	.20	.20	.20	.25	.25	.25	.30	.30	.35	.35	.35
	64	.20	.25	.25	.25	.30	.30	.30	.30	.30	.35	.40	.40	.45	.45	.50
	65	.25	.30	.30	.30	.35	.35	.35	.40	.40	.45	.50	.50	.55	.55	.60
	66	.35	.35	.35	.35	.40	.45	.45	.50	.50	.55	.60	.60	.65	.65	.75
	67	.40	.45	.45	.45	.50	.50	.55	.60	.60	.65	.70	.70	.75	.80	.85
	68	.50	.50	.50	.50	.55	.60	.60	.65	.65	.70	.80	.85	.90	.90	1.00
	69	.55	.60	.60	.60	.65	.65	.70	.75	.75	.80	.90	.95	1.00	1.05	1.10
	70	.65	.65	.65	.65	.70	.75	.80	.85	.85	.90	1.00	1.05	1.10	1.15	1.25
	71	.75	.75	.75	.75	.80	.85	.90	.95	.95	1.00	1.10	1.20	1.25	1.30	1.40
	72	.80	.80	.80	.85	.90	.95	1.00	1.05	1.05	1.10	1.20	1.30	1.35	1.45	1.55
	73	.90	.90	.90	.90	.95	1.00	1.10	1.15	1.20	1.25	1.35	1.45	1.50	1.55	1.65
	74	.95	.95	.95	1.00	1.05	1.10	1.20	1.25	1.30	1.35	1.45	1.55	1.60	1.70	1.80
	75	1.00	1.05	1.05	1.10	1.15	1.20	1.30	1.35	1.40	1.45	1.55	1.70	1.75	1.85	1.95
	76	.....	1.15	1.15	1.20	1.25	1.30	1.40	1.45	1.50	1.55	1.70	1.85	1.90	2.00	2.10
	77	.....	1.25	1.25	1.30	1.35	1.40	1.50	1.60	1.60	1.65	1.80	1.95	2.05	2.15	2.25
	78	.....	1.30	1.35	1.40	1.45	1.50	1.65	1.70	1.70	1.80	1.95	2.10	2.15	2.25	2.35
	79	.....	1.40	1.45	1.50	1.55	1.60	1.75	1.85	1.85	1.90	2.05	2.20	2.30	2.40	2.50
	80	.....	1.50	1.55	1.60	1.65	1.70	1.85	1.95	1.95	2.00	2.20	2.35	2.45	2.55	2.65

	° F.	16 P.ct.	17 P.ct.	18 P.ct.	19 P.ct.	20 P.ct.	21 P.ct.	22 P.ct.	23 P.ct.	24 P.ct.	25 P.ct.	26 P.ct.	27 P.ct.	28 P.ct.	29 P.ct.	30 P.ct.
To be added to the observed indication.	50	1.20	1.30	1.45	1.55	1.70	1.80	1.85	1.95	2.00	2.10	2.20	2.25	2.25	2.30	2.30
	51	1.10	1.20	1.30	1.40	1.65	1.60	1.65	1.75	1.80	1.90	2.00	2.00	2.00	2.05	2.05
	52	1.00	1.05	1.15	1.25	1.35	1.45	1.50	1.55	1.60	1.70	1.75	1.80	1.80	1.85	1.85
	53	.85	.95	1.05	1.10	1.20	1.25	1.30	1.40	1.40	1.45	1.55	1.55	1.60	1.60	1.60
	54	.75	.80	.90	.95	1.00	1.10	1.15	1.20	1.20	1.25	1.30	1.35	1.35	1.40	1.40
	55	.65	.70	.75	.80	.85	.90	.95	1.00	1.00	1.05	1.10	1.10	1.10	1.15	1.15
	56	.50	.55	.60	.65	.70	.70	.75	.80	.80	.85	.90	.90	.90	.90	.90
	57	.40	.40	.45	.50	.50	.55	.55	.60	.60	.65	.65	.65	.65	.70	.70
	58	.25	.30	.30	.30	.35	.35	.40	.40	.40	.40	.45	.45	.45	.45	.45
	59	.15	.15	.15	.15	.15	.20	.20	.20	.20	.20	.20	.20	.20	.25	.25
To be subtracted from the observed indication.	60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	61	.15	.15	.15	.15	.15	.20	.20	.20	.20	.20	.20	.20	.20	.20	.25
	62	.25	.30	.30	.30	.35	.35	.40	.40	.40	.40	.40	.40	.45	.45	.45
	63	.40	.40	.40	.45	.50	.55	.55	.55	.65	.65	.65	.65	.65	.65	.70
	64	.50	.55	.55	.60	.70	.70	.75	.75	.85	.85	.85	.85	.90	.90	.90
	65	.65	.70	.70	.75	.85	.90	.95	.95	1.05	1.05	1.05	1.05	1.10	1.10	1.15
	66	.80	.85	.85	.90	1.00	1.05	1.15	1.15	1.25	1.25	1.25	1.25	1.30	1.30	1.35
	67	.95	1.00	1.00	1.05	1.15	1.25	1.30	1.35	1.45	1.45	1.45	1.45	1.50	1.55	1.60
	68	1.05	1.10	1.20	1.25	1.35	1.40	1.50	1.55	1.65	1.70	1.70	1.70	1.75	1.75	1.80
	69	1.20	1.25	1.35	1.40	1.50	1.60	1.65	1.75	1.85	1.90	1.90	1.90	1.95	2.00	2.05
	70	1.35	1.40	1.55	1.55	1.65	1.75	1.85	1.95	2.05	2.10	2.10	2.10	2.15	2.20	2.25
	71	1.50	1.55	1.65	1.70	1.80	1.90	2.05	2.15	2.25	2.30	2.30	2.35	2.35	2.40	2.45
	72	1.65	1.75	1.80	1.85	1.95	2.10	2.20	2.35	2.45	2.50	2.55	2.55	2.60	2.65	2.70
	73	1.75	1.85	1.85	2.05	2.15	2.25	2.40	2.55	2.60	2.75	2.75	2.80	2.80	2.85	2.90
	74	1.85	2.00	2.10	2.20	2.30	2.45	2.55	2.75	2.80	2.95	3.00	3.00	3.05	3.10	3.15
	75	2.05	2.15	2.25	2.35	2.45	2.60	2.75	2.95	3.00	3.15	3.20	3.25	3.25	3.30	3.35
	76	2.20	2.30	2.40	2.55	2.65	2.75	2.95	3.10	3.20	3.35	3.40	3.45	3.50	3.50	3.55
	77	2.35	2.45	2.60	2.70	2.80	2.95	3.10	3.30	3.40	3.55	3.65	3.70	3.70	3.75	3.80
	78	2.50	2.65	2.75	2.90	3.00	3.10	3.30	3.45	3.60	3.75	3.85	3.90	3.95	3.95	4.00
	79	2.65	2.80	2.95	3.05	3.15	3.30	3.45	3.65	3.80	3.95	4.10	4.15	4.15	4.20	4.25
	80	2.80	2.95	3.10	3.25	3.35	3.45	3.65	3.80	4.00	4.15	4.30	4.35	4.40	4.40	4.45

XIV.

TABLES FOR USE IN CALCULATING THE APPROXIMATE NUMBER OF WINE GALLONS OF GRAPE BRANDY TO BE ADDED TO SWEET WINE TO PRODUCE A DESIRED ALCOHOLIC STRENGTH.

Sections 42 and 43 of the act approved October 1, 1890, prescribe certain limitations to the saccharine and alcoholic strength of the pure sweet wines which may be fortified free of tax, viz:

1. No must can be used until it has undergone alcoholic fermentation, and this "fermented grape juice * * * shall contain no other substance of any kind whatever introduced before, at the time of, or after fermentation." No sweet wine, therefore, which may be fortified can ever contain as much as the original percentage of saccharine strength present in the must or grape juice whence it was derived by fermentation;

2. The alcoholic fermentation of the must should not be allowed to continue until all the grape sugar is converted into alcohol and carbonic acid, but should be stopped by the addition of alcohol before the minimum limit, "four per centum of saccharine matter," is reached;

3. The alcohol or "wine spirits so used free of tax shall not be in excess of the amount required to introduce into such sweet wines in [an] alcoholic strength equal to fourteen per centum of the volume of such wines after such use;" and

4. "That such wine containing, after such fortification, more than twenty-four per centum of alcohol * * * shall be forfeited to the United States."

In regard to the limit prescribed for the amount of grape brandy or wine spirits to be added, the factors that enter into the problem are: (1) the original alcoholic strength of the wine; (2) the alcoholic strength of the brandy used (this is always one-half of the proof-strength), and (3) the resulting alcoholic strength of the mixture. Any two of these being known, the third can be determined. The higher the alcoholic strength of the brandy used the smaller will be the volume of it required to produce any desired alcoholic strength, owing to its containing more alcohol and less water; but in no case can the desired alcoholic strength in the resulting fortified wine exceed 24, and in the majority of cases it will be much less, because the volume of grape brandy that should be used would introduce more than an alcoholic strength equal to 14 per cent. of the volume of the resulting mixture. The volume, or number of wine gallons, of grape brandy

to be used (as found by the prescribed formula and rule *) when multiplied by its alcoholic strength, and this product divided by 100 plus the number of wine gallons of brandy to be used, the resulting quotient should never exceed 14, as otherwise the limit prescribed by law will be exceeded.

Example:

```
                 38.88
                    50
              ---------
138.88) 1944.00 (14 nearly.
        13888
        -----
         55520
         55552
```

The number of wine gallons of grape brandy and its alcoholic strength must not, however, be reduced for purposes of calculation to proof gallons and proof strength, as for each particular per cent. of alcohol there is a special maximum number of wine gallons of grape brandy that can be used and be within this limit. For instance, 20 gallons of brandy of 90 per cent. alcoholic strength could not be added to 100 wine gallons of sweet wine, as it would introduce 15 per cent., or 1 per cent. more than the prescribed limit, whereas, if the mistake was made of reducing this amount to proof gallons (36), there would seemingly have been introduced an alcoholic strength of 13.2 of the resulting volume.

The original alcoholic strength of the wine will depend on how far the fermentation of the grape sugar present in the must or grape juice has been allowed to proceed; as a general rule the volume of alcohol in the wine represents twice that amount of grape sugar (not extract,

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* FORMULA:

$$X = \frac{V\,[C-A]}{B-C}$$

in which A = the per cent. of alcohol by volume in the wine to be fortified;
B = the per cent. of alcohol by volume in the wine spirit or grape brandy to be used in fortifying the wine;
C = the desired per cent. of alcohol by volume in the wine after being fortified;
V = the number of wine gallons of the wine to be fortified;
X = the number of wine gallons of the wine spirit or grape brandy to be used.

RULE.—Multiply the number of wine gallons of the wine to be fortified (V) by the difference between its per cent. of alcohol by volume (A) and the desired per cent. of alcohol by volume in the wine after fortification (C); divide this product by the difference between the per cent. of alcohol by volume in the wine spirit or grape brandy which is used for fortifying (B) and the desired per cent. of alcohol by volume in the wine after fortification (C); the quotient (X) will represent the number of wine gallons of the spirits required to produce the desired alcoholic strength in the fortified wine; but in no case must the number of wine gallons of brandy of the strengths specified in the following table to be added to 100 wine gallons of wine exceed the limit fixed in table 0, column 14.

total solids, or saccharine strength indicated by Balling's saccharometer) present in the original must.

Attention is called to the fact that the tables herewith given are calculated only for whole per cents. of alcoholic strength and that the slight contraction due to the admixture of alcohol has been disregarded. When upon determining the alcoholic strength of the wine by the method prescribed, it is found to be a whole per cent. plus a fraction, then the next higher whole per cent. should be taken; for instance, if the per cent. is 10.25 then 11 should be taken. The same rule should be observed in regard to the alcoholic strength of the brandy used. But nothing herein contained should be considered as preventing the employment of the formula and rule given on page 49 of these Regulations in calculating the necessary number of wine gallons of brandy to be added.

When the quantity of the sweet wine proposed to be fortified is found by actual gauge to be greater or less than 100 wine gallons, to ascertain the necessary number of wine gallons of grape brandy to be added to obtain a desired alcoholic strength, multipy the number of wine gallons of sweet wine by the number found in the appropriate table and column, having first removed the decimal point two figures to the left.

Example.—How many wine gallons of grape brandy having a per cent. of alcohol by volume of 75 shall be added to 35 gallons of wine having a per cent. of alcohol by volume of 10 to produce a fortified sweet wine having 20 per cent. of alcohol by volume?

In table 10, that is, the table relative to wine containing 10 per cent. of alcohol, opposite the figures 75 in the left-hand margin, showing the per cent. of alcohol in the brandy, and beneath the figures 20 on the upper margin, showing the desired per cent. of alcohol in the wine, will be found the figures 18.18, which show the quantity to be added to 100 gallons of wine. By removing the decimal point two places to the left we have 0.1818, and by multiplying by 35 and taking care to point off four figures in the product for decimals, we have 6.36 as the necessary number of wine gallons to be added:

```
 0.1818
     35
 ------
   9090
  5454
 ------
 6.3630 Ans.
```

In practice the problem would be thus presented: Given 1,000 wine gallons of wine containing 6 per cent. alcoholic strength, it is desired to fortify it so that the resulting mixture shall contain 17 per cent. alcoholic strength. The brandy that is intended to be used for this purpose is marked as follows:

Package.	Wine gallon contents.	Proof.	Per cent. alcohol.
No. 1	52½	162	81
No. 2	28	156	78
No. 3	27	142	72
No. 4	48	120	60
No. 5	50	178	89

how many wine gallons in the last package, No. 5, will remain unused?

Referring to table 6, under column 17, opposite the respective alcoholic strengths of the brandy, we find as follows: 81 per cent., 17.18; 78 per cent., 18.03; 72 per cent., 20.00; 60 per cent., 25.58; and 89 per cent., 15.27. Moving the decimal point two figures to the left and dividing the contents of each package by the appropriate decimal, we obtain the number of the wine gallons of the given wine that will be fortified to the desired percentage, viz:

Package No. 1. $\frac{52.5}{.1718}$ =305.58 wine gallons of wine used.

Package No. 2. $\frac{28.}{.1803}$ =155.29 wine gallons of wine used.

Package No. 3. $\frac{27.}{.2000}$ =135.00 wine gallons of wine used.

Package No. 4. $\frac{48.}{.2558}$ =187.64 wine gallons of wine used.

Package No. 5. $\frac{50.}{.1527}$ =327.44 wine gallons of wine used.

1,110.95

As, however, to use all of package No. 5 would require 111 wine gallons more than the actual quantity of wine present, it is evident that only enough of this brandy must be used as will be needed to fortify the remaining 216.5 wine gallons left unfortified on the addition of the first four packages. This amount is (216.5×0.1527) 33.06 wine gallons, leaving 17 wine gallons of the brandy in package No. 5 unused.

Total wine gallons of wine used in fortifying to the desired strength with packages Nos. 1–4	783.51
33 wine gallons from package No.5 requires wine gallons of wine	216.11
	999.62

JOHN W. MASON,
Commissioner.

Approved.

CHARLES FOSTER,
Secretary of the Treasury.

O

Table O.

Maximum number of wine gallons of brandy that can be added to 100 *wine gallons of wine and not introduce—*

Per cent. of alcohol in brandy.	An alcoholic strength equal to per centum of the volume of such wine after such use.														
	24 to 15.	14.	13.	12.	11.	10.	9.	8.	7.	6.	5.	4.	3.	2.	1.	0.
90..	Would require an addition in excess of the amount prescribed by section. 42.	18.42	16.88	15.38	13.92	12.50	11.11	9.75	8.43	7.14	5.88	4.65	3.45	2.27	1.12	0.00
89..		18.66	17.10	15.58	14.10	12.66	11.25	9.87	8.53	7.23	5.95	4.70	3.49	2.30	1.13	0.00
88..		18.91	17.33	15.80	14.28	12.82	11.40	10.00	8.64	7.31	6.02	4.76	3.52	2.32	1.15	0.00
87..		19.17	17.56	16.00	14.47	12.99	11.53	10.12	8.75	7.40	6.09	4.82	3.57	2.35	1.16	0.00
86..		19.43	17.80	16.21	14.66	13.16	11.70	10.25	8.86	7.50	6.17	4.87	3.61	2.38	1.17	0.00
85..		19.71	18.05	16.43	14.86	13.33	11.84	10.40	8.97	7.60	6.25	4.93	3.65	2.41	1.19	0.00
84..		20.00	18.31	16.66	15.06	13.51	12.00	10.52	9.09	7.70	6.33	5.00	3.70	2.44	1.20	0.00
83..		20.29	18.57	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
82..		20.58	18.84	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
81..		20.90	19.11	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
80..		21.21	19.40	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
79..		21.53	19.70	17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
78..		21.87	20.00	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
77..		22.22	20.31	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
76..		22.58	20.63	18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
75..		22.95	20.96	19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
74..		23.33	21.31	19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
73..		23.73	21.66	19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
72..		24.13	22.03	20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
71..		24.56	22.41	20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
70..		25.00	22.80	20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
69..		25.45	23.21	21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
68..		25.92	23.63	21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
67..		26.41	24.07	21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
66..		26.92	24.52	22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
65..		27.45	25.00	22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
64..		28.00	25.49	23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
63..		28.57	26.00	23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
62..		29.16	26.53	24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
61..		29.78	27.08	24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
60..		30.43	27.66	25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
59..		31.11	28.26	25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
58..		31.81	28.88	26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
57..		32.55	29.54	26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
56..		33.33	30.23	27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
55..		34.14	30.95	27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
54..		35.00	31.70	28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
53..		35.90	32.50	29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
52..		36.84	33.33	30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
51..		37.83	34.21	30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
50..		38.88	35.13	31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00

TABLE 1.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 1 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.														
	24 to 15.	14.	13.	12.	11.	10.	9.	8.	7.	6.	5.	4.	3.	2.	1.
90	Would require an addition in excess of the amount prescribed by section 42.	17.10	15.58	14.10	12.66	11.25	9.87	8.53	7.23	5.95	4.70	3.49	2.30	1.13	0.00
89		17.33	15.80	14.28	12.82	11.40	10.00	8.64	7.31	6.02	4.76	3.52	2.32	1.15	0.00
88		17.56	16.00	14.47	12.99	11.53	10.12	8.75	7.40	6.09	4.82	3.57	2.35	1.16	0.00
87		17.80	16.21	14.66	13.16	11.70	10.25	8.86	7.50	6.17	4.87	3.61	2.38	1.17	0.00
86		18.05	16.43	14.86	13.33	11.84	10.40	8.97	7.60	6.25	4.93	3.65	2.41	1.19	0.00
85		18.31	16.66	15.06	13.51	12.00	10.52	9.09	7.70	6.33	5.00	3.70	2.44	1.20	0.00
84		18.57	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
83		18.84	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
82		19.11	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
81		19.40	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
80		19.76	17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
79		20.00	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
78		20.31	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
77		20.63	18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
76		20.96	19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
75		21.31	19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
74		21.66	19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
73		22.03	20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
72		22.41	20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
71		22.80	20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
70		23.21	21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
69		23.63	21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
68		24.07	21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
67		24.52	22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
66		25.00	22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
65		25.49	23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
64		26.00	23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
63		26.53	24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
62		27.08	24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
61		27.66	25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
60		28.26	25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
59		28.88	26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
58		29.54	26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
57		30.23	27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
56		30.95	27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
55		31.70	28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
54		32.50	29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
53		33.33	30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
52		34.21	30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
51		35.13	31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
50		36.11	32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00

2 TABLE 2.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 2 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.														
	24 to 16.	15.	14.	13.	12.	11.	10.	9.	8.	7.	6.	5.	4.	3.	2.
90	Would require an addition in excess of the amount prescribed by section 42.	17.33	15.80	14.28	12.82	11.40	10.00	8.64	7.31	6.02	4.76	3.52	2.32	1.15	0.00
89		17.56	16.00	14.47	12.99	11.53	10.12	8.75	7.40	6.09	4.82	3.57	2.35	1.16	0.00
88		17.80	16.21	14.66	13.16	11.70	10.25	8.86	7.50	6.17	4.87	3.61	2.38	1.17	0.00
87		18.05	16.43	14.86	13.33	11.84	10.40	8.97	7.60	6.25	4.93	3.65	2.41	1.19	0.00
86		18.31	16.66	15.06	13.51	12.00	10.52	9.09	7.70	6.33	5.00	3.70	2.44	1.20	0.00
85		18.57	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
84		18.84	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
83		19.11	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
82		19.40	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
81		19.70	17.91	16.17	14.49	12.87	11.26	8.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
80		20.00	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
79		20.31	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
78		20.63	18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
77		20.96	19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
76		21.31	19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
75		21.66	19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
74		22.03	20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
73		22.41	20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
72		22.80	20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
71		23.21	21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
70		23.63	21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
69		24.07	21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
68		24.52	22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
67		25.00	22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
66		25.49	23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
65		26.00	23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
64		26.53	24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
63		27.08	24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
62		27.66	25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
61		28.26	25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
60		28.88	26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
59		29.54	26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
58		30.23	27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
57		30.95	27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
56		31.70	28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
55		32.50	29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
54		33.33	30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
53		34.21	30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
52		35.13	31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
51		36.11	32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
50		37.14	33.33	29.73	26.32	33.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00

TABLE 3. 3

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 3 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	24 to 17.	To produce a resulting fortified wine containing per cent. of alcohol.													
		16.	15.	14.	13.	12.	11.	10.	9.	8.	7.	6.	5.	4.	3.
90	Would require an addition in excess of the amount prescribed by section 42.	17.56	16.00	14.47	12.99	11.53	10.12	8.75	7.40	6.09	4.82	3.57	2.35	1.16	0.00
89		17.80	16.21	14.66	13.16	11.70	10.25	8.86	7.50	6.17	4.87	3.61	2.38	1.17	0.00
88		18.05	16.43	14.86	13.33	11.84	10.40	8.97	7.60	6.25	4.93	3.65	2.41	1.19	0.00
87		18.31	16.66	15.06	13.51	12.00	10.52	9.09	7.70	6.33	5.00	3.70	2.44	1.20	0.00
86		18.57	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
85		18.84	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
84		19.11	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
83		19.40	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
82		19.70	17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
81		20.00	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
80		20.31	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
79		20.63	18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
78		20.96	19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
77		21.31	19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
76		21.66	19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
75		22.03	20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
74		22.41	20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
73		22.80	20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
72		23.21	21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
71		23.63	21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
70		24.07	21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
69		24.52	22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
68		25.00	22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
67		25.49	23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
66		26.00	23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
65		26.53	24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
64		27.08	24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
63		27.66	25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
62		28.26	25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
61		28.88	26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
60		29.54	26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
59		30.23	27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
58		30.95	27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
57		31.70	28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
56		32.50	29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
55		33.33	30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
54		34.21	30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
53		35.13	31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
52		36.11	32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
51		37.14	33.33	29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
50		38.23	34.28	30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00

4 TABLE 4.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 4 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.														
	24 to 18.	17.	16.	15.	14.	13.	12.	11.	10.	9.	8.	7.	6.	5.	4.
90	Would require an addition in excess of the amount prescribed by section 42.	17.80	16.21	14.66	13.16	11.70	10.25	8.86	7.50	6.17	4.87	3.61	2.38	1.17	0.00
89		18.05	16.43	14.86	13.33	11.84	10.40	8.97	7.60	6.25	4.93	3.65	2.41	1.19	0.00
88		18.31	16.66	15.06	13.51	12.00	10.52	9.09	7.70	6.33	5.00	3.70	2.44	1.20	0.00
87		18.57	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
86		18.84	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
85		19.11	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
84		19.40	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
83		19.70	17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
82		20.00	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
81		20.31	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
80		20.63	18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
79		20.96	19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
78		21.31	19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
77		21.66	19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
76		22.03	20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
75		22.41	20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
74		22.80	20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
73		23.21	21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
72		23.63	21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
71		24.07	21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
70		24.52	22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
69		25.00	22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
68		25.49	23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
67		26.00	23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
66		26.53	24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
65		27.08	24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
64		27.66	25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
63		28.26	25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
62		28.88	26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
61		29.54	26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
60		30.23	27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
59		30.95	27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
58		31.70	28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
57		32.50	29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
56		33.33	30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
55			30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
54			31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
53			32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
52			33.33	29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
51			34.28	30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
50			35.29	31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00

TABLE 5.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 5 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.														
	24 to 19.	18.	17.	16.	15.	14.	13.	12.	11.	10.	9.	8.	7.	6.	5.
90	Would require an addition in excess of the amount prescribed by section 42.	18.05	16.43	14.86	13.33	11.84	10.40	8.97	7.60	6.25	4.93	3.65	2.41	1.19	0.00
89		18.31	16.66	15.06	13.51	12.00	10.52	9.09	7.70	6.33	5.00	3.70	2.44	1.20	0.00
88		18.57	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
87		18.84	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
86		19.11	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
85		19.40	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
84		19.70	17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
83		20.00	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
82		20.31	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
81		20.63	18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
80		20.96	19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
79		21.31	19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
78		21.66	19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
77		22.03	20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
76		22.41	20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
75		22.80	20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
74		23.21	21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
73		23.63	21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
72		24.07	21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
71		24.52	22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
70		25.00	22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
69	Would require an addition in excess of the amount prescribed by section 42.	23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
68		23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
67		24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
66		24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
65		25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
64		25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
63		26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
62		26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
61		27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
60		27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
59		28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
58		29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
57		30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
56		30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
55		31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
54		32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
53		33.33	29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
52		34.28	30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
51		35.29	31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
50		36.36	32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00

TABLE 6.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 6 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.															
	24 to 20.	19.	18.	17.	16.	15.	14.	13.	12.	11.	10.	9.	8.	7.	6.
90	Would require an addition in excess of the amount prescribed by section 42.	18.31	16.66	15.06	13.51	12.00	10.52	9.09	7.70	6.33	5.00	3.70	2.44	1.20	0.00
89		18.57	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
88		18.84	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
87		19.11	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
86		19.40	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
85		19.70	17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
84		20.00	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
83		Would require an addition in excess of the amount prescribed by section 42.	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
82			18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
81			19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
80			19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
79			19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
78			20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
77			20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
76			20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
75			21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
74			21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
73			21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
72			22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
71			22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
70			23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
69			23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
68			24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
67			24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
66			25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.00	7.14	5.26	3.44	1.69	0.00
65			25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
64			26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
63			26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
62			27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
61			27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
60			28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
59			29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
58			30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
57			30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
56			31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
55			32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
54			33.33	29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
53			34.28	30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
52			35.29	31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
51			36.36	32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
50			37.50	33.33	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00

Table 7.

Number of wine gallons of brandy to be added to 100 wine gallons of wine containing 7 per cent. of alcohol.

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.													
	24 to 20.	19.	18.	17.	16.	15.	14.	13.	12.	11.	10.	9.	8.	7.
90	Would require an addition in excess of the amount prescribed by section 42.	16.90	15.27	13.70	12.16	10.66	9.21	7.79	6.41	5.06	3.75	2.47	1.22	0.00
89		17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
88		17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
87		17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
86		17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
85		18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
84		18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
83		18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
82		19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
81		19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
80		19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
79		20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
78		20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
77		20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
76		21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
75		21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
74		21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
73		22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
72		22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
71		23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
70		23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
69		24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
68		24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
67		25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
66		25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
65		26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
64		26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
63		27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
62		27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
61		28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
60		29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
59		30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
58		30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
57		31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
56		32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
55		33.33	29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
54		34.28	30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
53		35.29	31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
52		36.36	32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
51		37.50	33.33	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
50			34.37	30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00

Table 8.

Number of wine gallons of brandy to be added to 100 wine gallons of wine containing 8 per cent. of alcohol.

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.													
	24 to 21.	20.	19.	18.	17.	16.	15.	14.	13.	12.	11.	10.	9.	8.
90	Would require an addition in excess of the amount prescribed by section 42.	17.14	15.50	13.89	12.33	10.81	9.33	7.90	6.50	5.12	3.80	2.50	1.23	0.00
89		17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
88		17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
87		17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
86		18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
85		18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
84		18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
83		19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
82		19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
81		19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
80		20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
79		20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
78		20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
77		21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
76		21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
75		21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
74		22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
73		22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
72		23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
71		23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
70		24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
69		24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
68		25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
67		25.53	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
66		26.08	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
65		26.66	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
64		27.27	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
63		27.88	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
62		28.57	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
61		29.26	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
60		30.00	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
59		30.77	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
58		31.58	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
57		32.43	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
56		33.33	29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
55			30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
54			31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
53			32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
52			33.33	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
51			34.37	30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
50			35.48	31.25	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00

TABLE 9.

9

Number of wine gallons of brandy to be added to 100 wine gallons of wine containing 9 per cent. of alcohol.

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.													
	24 to 22	21.	20.	19.	18.	17.	16.	15.	14.	13.	12.	11.	10.	9.
90	Would require an addition in excess of the amount prescribed by section 42.	17.40	15.71	14.08	12.50	10.96	9.46	8.00	6.58	5.20	3.84	2.53	1.25	0.00
89		17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
88		17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
87		18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
86		18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
85		18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
84		19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
83		19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
82		19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
81		20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
80		20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
79		20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
78		21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
77		21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
76		21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
75		22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
74		22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
73		23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
72		23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
71		24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
70		24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
69		25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
68		Would require an addition in excess of the amount prescribed by section 42.	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
67			23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
66			23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
65			24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
64			25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
63			25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
62			26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
61			26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
60			27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
59			28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
58			28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
57			29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
56			30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
55			31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
54			32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
53			33.33	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
52			34.37	30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
51			35.48	31.25	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00
50			36.66	32.26	28.12	24.24	20.59	17.14	13.89	10.81	7.90	5.13	2.50	0.00

TABLE 10.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 10 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.													
	24 to 23	22.	21.	20.	19.	18.	17.	16.	15.	14.	13.	12.	11.	10.
90	Would require an addition in excess of the amount prescribed by section 42.	17.64	15.94	14.29	12.67	11.11	9.57	8.10	6.66	5.26	3.90	2.56	1.27	0.00
89		17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
88		18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
87		18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
86		18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
85		19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
84		19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
83		19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
82		20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
81		20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
80		20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
79		21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
78		21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
77		21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
76		22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
75		22.64	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
74		23.07	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
73		23.53	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
72		24.00	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
71		24.49	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
70		25.00	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
69	Would require an addition in excess of the amount prescribed by section 42.		22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
68			23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
67			23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
66			24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
65			25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
64			25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
63			26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
62			26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
61			27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
60			28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
59			28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
58			29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
57			30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
56			31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
55			32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
54			33.33	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
53			34.37	30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
52			35.48	31.25	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00
51			36.66	32.26	28.12	24.24	20.59	17.14	13.89	10.81	7.90	5.13	2.50	0.00
50			37.93	33.33	29.03	25.00	21.21	17.64	14.27	11.11	8.10	5.26	2.56	0.00

TABLE 11.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 11 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.													
	24.	23.	22.	21.	20.	19.	18.	17.	16.	15.	14.	13.	12.	11.
90	Would require an addition in excess of the amount prescribed by section 42.	17.91	16.17	14.49	12.87	11.26	9.72	8.22	6.75	5.33	3.94	2.60	1.28	0.00
89		18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
88		18.46	16.67	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
87		18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
86		19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
85		19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
84		19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
83		20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
82		20.33	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
81		20.69	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
80		21.05	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
79		21.43	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
78		21.81	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
77		22.22	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
76		Would require an addition in excess of the amount prescribed by section 42.	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
75			20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
74			21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
73			21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
72			22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
71			22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
70			22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
69			23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
68			23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
67			24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
66			25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
65			25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
64			26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
63			26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
62			27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
61			28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
60			28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
59			29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
58			30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
57			31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
56			32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
55			33.33	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
54			34.37	30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
53			35.48	31.25	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00
52			36.66	32.26	28.12	24.24	20.59	17.14	13.89	10.81	7.90	5.13	2.50	0.00
51				33.33	29.03	25.00	21.21	17.64	14.27	11.11	8.10	5.26	2.56	0.00
50				34.48	30.00	25.80	21.87	18.18	14.71	11.42	8.33	5.40	2.63	0.00

12 TABLE 12.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 12 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.												
	24.	23.	22.	21.	20.	19.	18.	17.	16.	15.	14.	13.	12.
90	18.18	16.41	14.71	13.04	11.42	9.86	8.33	6.85	5.40	4.00	2.63	1.30	0.00
89	18.46	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
88	18.75	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
87	19.04	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
86	19.35	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
85	19.67	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
84	20.00	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
83	Would require an addition in excess of the amount prescribed by section 42.	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
82		18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
81		18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
80		19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
79		19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
78		20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
77		20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
76		20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
75		21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
74		21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
73		22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
72		22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
71		22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
70		23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
69		23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
68		24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
67		25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
66		25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
65		26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
64		26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
63		27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
62		28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
61		28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
60		29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
59		30.55	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
58		31.42	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
57		32.35	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
56		33.33	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
55			30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
54			31.25	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00
53			32.26	28.12	24.24	20.59	17.14	13.89	10.81	7.90	5.13	2.50	0.00
52			33.33	29.03	25.00	21.21	17.64	14.27	11.11	8.10	5.26	2.56	0.00
51			34.48	30.00	25.80	21.87	18.18	14.71	11.42	8.33	5.40	2.63	0.00
50			35.71	31.03	26.66	22.58	18.75	15.15	11.76	8.57	5.55	2.70	0.00

TABLE 13.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 13 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.											
	24.	23.	22.	21.	20.	19.	18.	17.	16.	15.	14.	13.
90	16.66	14.93	13.23	11.59	10.00	8.45	6.94	5.48	4.05	2.66	1.32	0.00
89	16.92	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
88	17.18	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
87	17.46	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
86	17.74	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
85	18.03	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
84	18.33	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
83	18.64	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
82	18.96	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
81	19.30	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
80	19.64	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
79	20.00	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
78	20.37	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
77	20.75	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
76	21.15	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
75	21.56	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
74	22.00	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
73	22.45	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
72	22.91	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
71	23.40	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
70	23.91	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
69	24.44	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
68	25.00	22.22	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
67	25.58	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
66	26.19	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
65	26.82	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
64	27.50	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
63	28.20	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
62	28.95	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
61	29.73	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
60	Would require an addition in excess of the amount prescribed by section 42.	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
59		27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
58		28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
57		29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
56		30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
55		31.25	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00
54		32.26	28.12	24.24	20.59	17.14	13.89	10.81	7.90	5.13	2.50	0.00
53		33.33	29.03	25.00	21.21	17.64	14.27	11.11	8.10	5.26	2.56	0.00
52		34.48	30.00	25.80	21.87	18.18	14.71	11.42	8.33	5.40	2.63	0.00
51		35.71	31.03	26.66	22.58	18.75	15.15	11.76	8.57	5.55	2.70	0.00
50		37.03	32.14	27.58	23.33	19.35	15.63	12.12	8.82	5.71	2.77	0.00

14 TABLE 14.

Number of wine gallons of brandy to be added to 100 *wine gallons of wine containing* 14 *per cent. of alcohol.*

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.										
	24.	23.	22.	21.	20.	19.	18.	17.	16.	15.	14.
90	15.15	13.43	11.76	10.14	8.57	7.04	5.55	4.10	2.70	1.33	0.00
89	15.39	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
88	15.63	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
87	15.87	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
86	16.13	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
85	16.39	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
84	16.66	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
83	16.95	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
82	17.24	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
81	17.54	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
80	17.86	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
79	18.18	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
78	18.52	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
77	18.87	16.66	14.54	12.50	10.52	8.62	6.78	5.00	3.27	1.61	0.00
76	19.23	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
75	19.61	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
74	20.00	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
73	20.41	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
72	20.83	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
71	21.28	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
70	21.74	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
69	22.22	19.56	17.01	14.58	12.24	10 00	7.84	5.77	3.77	1.85	0.00
68	22.72	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
67	23.26	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
66	23.81	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
65	24.39	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
64	25.00	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
63	25.64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
62	26.32	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
61	27.03	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
60	27.78	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
59	28.57	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
58	29.41	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
57	30.30	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
56	31.25	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00
55	32.26	28.12	24.24	20.59	17.14	13.89	10.81	7.90	5.13	2.50	0.00
54	33.33	29.03	25.00	21.21	17.64	14.27	11.11	8.10	5.26	2.56	0.00
53	34.48	30.00	25.80	21.87	18.18	14.71	11.42	8.33	5.40	2.63	0.00
52	35.71	31.03	26.66	22.58	18.75	15.15	11.76	8.57	5.55	2.70	0.00
51	37.03	32.14	27.58	23.33	19.35	15.63	12.12	8.82	5.71	2.77	0.00
50	38.46	33.33	28.57	24.14	20.00	16.13	12.50	9.09	5.88	2.85	0.00

TABLE 15.

Number of wine gallons of brandy to be added to 100 wine gallons of wine containing 15 per cent. of alcohol.

Per cent. of alcohol in brandy.	To produce a resulting fortified wine containing per cent. of alcohol.									
	24.	23.	22.	21.	20.	19.	18.	17.	16.	15.
90	13.63	11.94	10.29	8.69	7.14	5.63	4.16	2.74	1.35	0.00
89	13.84	12.12	10.44	8.82	7.24	5.71	4.22	2.77	1.37	0.00
88	14.06	12.30	10.60	8.95	7.35	5.79	4.28	2.81	1.39	0.00
87	14.28	12.50	10.76	9.09	7.46	5.88	4.34	2.85	1.41	0.00
86	14.51	12.69	10.93	9.23	7.57	5.97	4.41	2.89	1.43	0.00
85	14.75	12.90	11.11	9.37	7.69	6.06	4.47	2.94	1.45	0.00
84	15.00	13.11	11.29	9.52	7.81	6.15	4.54	2.98	1.47	0.00
83	15.25	13.33	11.47	9.67	7.93	6.25	4.61	3.03	1.49	0.00
82	15.51	13.55	11.66	9.83	8.06	6.35	4.68	3.07	1.52	0.00
81	15.79	13.79	11.86	10.00	8.19	6.45	4.76	3.12	1.54	0.00
80	16.07	14.03	12.07	10.17	8.33	6.55	4.84	3.17	1.56	0.00
79	16.36	14.28	12.28	10.34	8.47	6.66	4.91	3.22	1.59	0.00
78	16.66	14.54	12.50	10.52	8.62	6.73	5.00	3.27	1.61	0.00
77	16.98	14.83	12.72	10.71	8.77	6.90	5.08	3.33	1.64	0.00
76	17.38	15.09	12.96	10.90	8.93	7.01	5.17	3.40	1.66	0.00
75	17.64	15.38	13.20	11.11	9.09	7.14	5.26	3.44	1.69	0.00
74	18.00	15.68	13.46	11.32	9.26	7.27	5.36	3.50	1.72	0.00
73	18.36	16.00	13.72	11.53	9.43	7.40	5.45	3.57	1.75	0.00
72	18.75	16.32	14.00	11.76	9.61	7.55	5.55	3.63	1.79	0.00
71	19.15	16.66	14.29	12.00	9.80	7.69	5.66	3.70	1.82	0.00
70	19.56	17.01	14.58	12.24	10.00	7.84	5.77	3.77	1.85	0.00
69	20.00	17.39	14.89	12.50	10.20	8.00	5.88	3.84	1.89	0.00
68	20.45	17.77	15.21	12.76	10.41	8.16	6.00	3.92	1.92	0.00
67	20.93	18.18	15.55	13.04	10.64	8.33	6.12	4.00	1.96	0.00
66	21.42	18.60	15.90	13.33	10.87	8.51	6.25	4.08	2.00	0.00
65	21.95	19.04	16.28	13.63	11.11	8.69	6.38	4.16	2.04	0.00
64	22.50	19.51	16.66	13.95	11.36	8.88	6.51	4.25	2.08	0.00
63	23.07	20.00	17.07	14.28	11.62	9.09	6.66	4.34	2.13	0.00
62	23.69	20.51	17.50	14.63	11.90	9.30	6.81	4.44	2.17	0.00
61	24.32	21.05	17.94	15.00	12.19	9.52	6.97	4.54	2.22	0.00
60	25.00	21.62	18.42	15.38	12.50	9.75	7.14	4.65	2.27	0.00
59	25.71	22.22	18.91	15.79	12.82	10.00	7.31	4.76	2.33	0.00
58	26.43	22.85	19.44	16.21	13.16	10.25	7.50	4.88	2.38	0.00
57	27.27	23.52	20.00	16.66	13.51	10.52	7.70	5.00	2.44	0.00
56	28.12	24.24	20.59	17.14	13.89	10.81	7.90	5.13	2.50	0.00
55	29.03	25.00	21.21	17.64	14.27	11.11	8.10	5.26	2.56	0.00
54	30.00	25.80	21.87	18.18	14.71	11.42	8.33	5.40	2.63	0.00
53	31.03	26.66	22.58	18.75	15.15	11.76	8.57	5.55	2.70	0.00
52	32.14	27.58	23.33	19.35	15.63	12.12	8.82	5.71	2.77	0.00
51	33.33	28.57	24.14	20.00	16.13	12.50	9.09	5.88	2.85	0.00
50	34.61	29.62	25.00	20.69	16.66	12.90	9.37	6.06	2.94	0.00

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UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING THE

TAX ON FERMENTED LIQUORS

UNDER THE

REVISED STATUTES OF THE UNITED STATES AND SUBSEQUENT ACTS.

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TREASURY DEPARTMENT,
Office of Internal Revenue, Washington, June 25, 1891.

Section 3339, Revised Statutes of the United States, provides that "There shall be paid on all beer, lager-beer, ale, porter, and other similar fermented liquors, brewed or manufactured and sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, a tax of one dollar for every barrel containing not more than thirty-one gallons; and at a like rate for any other quantity or for any fractional part of a barrel. In estimating and computing such tax, the fractional parts of a barrel shall be halves, thirds, quarters, sixths, and eighths; and any fractional part of a barrel containing less than one-eighth, shall be accounted one-eighth; more than one-eighth, and not more than one-sixth, shall be accounted one-sixth; more than one-sixth, and not more than one-fourth, shall be accounted one-fourth; more than one-fourth, and not more than one-third, shall be accounted one-third; more than one-third, and not more than one-half, shall be accounted one-half; more than one-half, and not more than one barrel, shall be accounted one barrel; and more than one barrel, and not more than sixty-three gallons, shall be accounted two barrels, or a hogshead. The said tax shall be paid by the owner, agent, or superintendent of the brewery or premises in which such fermented liquors are made, and in the manner and at the time hereinafter specified."

DEFINITION OF THE WORD GALLON.

Section 21, act of March 1, 1879, provides "That the word 'gallon, wherever used in the internal-revenue law, relating to beer, lager-beer,

ale, porter, and other similar fermented liquors, shall be held and taken to mean a wine-gallon, the liquid measure containing two hundred and thirty-one cubic inches."

BREWER DEFINED.

Section 3244, R. S., provides that "Every person who manufactures fermented liquors of any name or description for sale, from malt, wholly or in part, or from any substitute therefor, shall be deemed a brewer."

NOTICE OF INTENTION TO CARRY ON BUSINESS.

Section 3335, R. S. provides that "Every brewer shall, before commencing or continuing business, file with the collector, or proper deputy collector, of the district in which he designs to carry it on a notice in writing, stating the name of the person, company, corporation, or firm, the names of the members of any such company or firm, the places of residence of such persons, a description of the premises on which the brewery is situated, and of his or their title thereto, and the name of the owner thereof."

This notice should be in the following form, and made in duplicate:

[Form 27 *c*.]

NOTICE BY BREWERS.

———, ———, 189—.

Notice is hereby given, that ——— ———, of the ——— of ———, county of ———, and State of ———, intend—, under the name or style of ——— ———, to carry on, or engage in the business of brewing ——— in the building owned by ——— ——— situate No. — —— street, in the —— of ———, county of ———, and —— of ———.

Name of every person interested, or to be interested in the business and nature of interest, with residence, (if in a city, designated by street and number:)

Particular description of the lot or tract of land on which the brewery is located:

Size and description of all buildings on the brewery premises, and material of which constructed. Purpose for which used. Size. Material of which constructed:

Statement of the title under which the premises on which the brewery is situated is held, and the name or names of the owner or owners thereof:

Statement of the whole quantity of malt liquors annually made and sold, or removed from the brewery, for the two special-tax years next preceding this date: For the year ending June 30, 189—, ——— bbls.; for the year ending June 30, 189—, ——— bbls.

(Signed) ——— ———.

To ——— ———,

Deputy Collector, —— *Div.* —— *District* ———.

Received this —— day of ———, A. D. 189—.

———,

Deputy Collector.

The deputy collector who receives the notice in duplicate on this form will forward one copy to the Commissioner of Internal Revenue and the other to the collector of the district.

This notice will be given in all cases before commencing business, and on the first of July of each succeeding year in cases where the

business of brewing is to be continued, regardless of the time of giving bond.

The blank space on Form 27*c* for the name or style under which the business is to be carried on is not intended to be filled with the name of the brewery, if it has one, but with the individual, firm, or corporate name under which the person or persons interested intend to conduct his or their operations.

The name of every person interested or to be interested in the business, &c., must be stated in the proper space, except in case of notices given by incorporated companies, when the names and addresses of the officers of the corporation should be given.

As bottling is not permitted on any portion of the brewery premises description of bottling establishments must not be made on Form 27 *c*.

The statement of the whole quantity of malt liquors annually made and sold or removed should in all cases be made for the two special-tax years immediately preceding the date of the notice.

The signature to the notice, when given by an individual, must in all cases be made by the brewer in person or in his name by his authorized agent or attorney.

In case of a firm the signature must be made in the firm-name by a member of the firm or by some person duly authorized, as above.

In case of a corporation the signature must be made in the name and under the seal of the corporation by the proper officer thereof. Collectors will note on the third page of the notice the date and penal sum of the last bond given by the person, firm, or corporation.

SPECIAL TAXES.

At the time of filing the above notice, the brewer will pay the special tax required by law, which is one hundred dollars per annum where he manufactures five hundred barrels or more per year, and fifty dollars per annum where he manufactures less than five hundred barrels per year.

"Every person who sells, or offers for sale, malt liquors in less quantities than five gallons at one time, but who does not deal in spirituous liquors, shall be regarded as a retail dealer in malt liquors," and shall pay a special tax of twenty dollars.

"Every person who sells, or offers for sale, malt liquors in quantities of not less than five gallons at one time, but who does not deal in spirituous liquors at wholesale, shall be regarded as a wholesale dealer in malt liquors," and shall pay a special tax of fifty dollars: "*Provided*, That no brewer shall be required to pay a special tax as a dealer by reason of selling in the original stamped packages, whether at the place of manufacture or elsewhere, malt liquors manufactured by him or purchased and procured by him in his own casks or vessels, under the provisions of section thirty-three hundred and forty-nine of the Revised Statutes; but the quantity of malt liquors so purchased shall be included in calculating the liability to brewer's special tax of both the

brewer who manufactures and sells the same and the brewer who purchases the same: *And it is hereby provided*, That no further collection of special tax as retail dealers in malt liquors shall be made from brewers for selling malt liquors of their own manufacture in the original stamped eighth-barrel package."

BREWER'S BOND.

Section 3336, R. S., as amended by act of April 29, 1886, provides that "Every brewer, on filing notice as aforesaid of his intention to commence or continue business, shall execute a bond to the United States, to be approved by the collector of the district, in a sum equal to three times the amount of the tax which, in the opinion of the collector, said brewer will be liable to pay during any one month, and conditioned that he shall pay, or cause to be paid, as herein provided, the tax required by law on all beer, lager-beer, ale, porter, and other fermented liquors made by or for him, before the same is sold or removed for consumption or sale, except as hereinafter provided; and that he shall keep, or cause to be kept, a book, in the manner and for the purposes hereinafter specified, which shall be open to inspection by the proper officers, as by law required; and that he shall in all respects faithfully comply, without fraud or evasion, with all requirements of law relating to the manufacture and sale of any malt liquors aforesaid; and he shall execute a new bond once in four years and whenever required so to do by said collector, in the amount above named and conditioned as above provided, which bond shall be in lieu of any former bond or bonds of such brewer in respect to all liabilities accruing after its approval by said collector."

Such bond will be according to Form 20, revised, and in compliance with the instructions thereto appended.

The sureties on the bond must be persons having no interest whatever in the business.

In case of incorporated companies the bond must be executed in their corporate capacity and under their corporate seals and signatures.

In case of a brewing company not incorporated the name of the firm as well as of each member thereof must be recited in the bond, which should be signed by each member of the firm.

Executors, administrators, and assignees continuing the business must execute a new bond.

BREWER'S BOOKS AND RETURNS.

Section 3337, R. S., provides that "Every person who owns or occupies any brewery, or premises used or intended to be used for the purpose of brewing or making such fermented liquors, or who has such premises under his control or superintendence, as agent for the owner or occupant, or has in his possession or custody any brewing materials,

utensils, or apparatus, used or intended to be used on said premises in the manufacture of beer, lager-beer, ale, porter, or other similar fermented liquors, either as owner, agent, or superintendent, shall, from day to day, enter, or cause to be entered, in a book to be kept by him for that purpose, the kind of such malt liquors, the estimated quantity produced in barrels, and the actual quantity sold or removed for consumption or sale in barrels or fractional parts of barrels. He shall also, from day to day, enter or cause to be entered, in a separate book to be kept by him for that purpose, an account of all materials by him purchased for the purpose of producing such fermented liquors, including grain and malt. And he shall render to the collector, or the proper deputy collector, on or before the tenth day of each month, a true statement, in writing, in duplicate, taken from his books, of the estimated quantity in barrels of such malt liquors brewed, and the actual quantity sold or removed for consumption or sale during the preceding month; and shall verify, or cause to be verified, the said statement, and the facts therein set forth, by oath, to be taken before the collector of the district or proper deputy collector, according to the form required by law. Said book shall be open at all times for the inspection of any collector, deputy collector, inspector, or revenue agent, who may take memorandums and transcripts therefrom."

Section 3338, R. S., provides that "The entries made in such books shall, on or before the tenth day of each month, be verified by the oath of the person by whom they are made. The said oath shall be written in the book at the end of such entries, and be certified by the officer administering the same, and shall be in form as follows:

"I do swear (or affirm) that the foregoing entries were made by me; and that they state truly, according to the best of my knowledge and belief, the estimated quantity of the whole amount of such malt liquors brewed, and the actual quantity sold, and the actual quantity removed, from the brewery owned by ———, in the county of ———; and, further, that I have no knowledge of any matter or thing required by law to be stated in said entries which has been omitted therefrom.

"And the owner, agent, or superintendent aforesaid shall also, in case the original entries made in his book were not made by himself, subjoin thereto the following oath, to be taken in manner as aforesaid:

"I do swear (or affirm) that, to the best of my knowledge and belief, the foregoing entries fully set forth all the matters therein required by law; and that the same are just and true, and that I have taken all the means in my power to make them so."

Section 3340, R. S., provides that "Every owner, agent, or superintendent of any brewery, vessels, or utensils used in making fermented liquors, who evades, or attempts to evade, the payment of the tax thereon, or fraudulently neglects or refuses to make true and exact entry and report of the same in the manner required by law, or to do, or cause to be done, any of the things by law required to be done by him as aforesaid, or who intentionally makes false entry in said book or in said statement, or knowingly allows or procures the same to be

done, shall forfeit, for every such offense, all the liquors made by him or for him, and all the vessels, utensils, and apparatus used in making the same, and be liable to a penalty of not less than five hundred nor more than one thousand dollars, to be recovered with costs of suit, and shall be deemed guilty of a misdemeanor, and be imprisoned for a term not exceeding one year. And every brewer who neglects to keep books, or refuses to furnish the account and duplicate thereof as provided by law, or refuses to permit the proper officer to examine the books in the manner provided, shall, for every such refusal or neglect, forfeit and pay the sum of three hundred dollars."

BREWERS' BOOKS.

Two books are required to be kept (section 3337) by every person engaged in brewing, as above described.

Form No. 104, revised, is recommended for the book for recording the quantities made, removed, or sold.

In a separate book is to be entered, from day to day, an account of all materials purchased by him for the purpose of producing fermented liquors, including grain and malt, in such form as shall be distinct and explicit and convenient for reference. Brewers must make apparent on the material book the disposition made of all materials entered thereon which are not used in the production of fermented liquor.

The entries made in these books must, on or before the tenth day of each month, be verified by the oath or affirmation of the person or persons by whom such entries were made, which oath or affirmation must be written in the books respectively at the end of such entries, and be certified by the officer administering the same. And said books are required to be open at all times for the inspection of any collector, deputy collector, or revenue agent, who may take memoranda therefrom.

For verification of the book containing the entries of materials purchased, the same form is to be used as is given in Form 104, revised, except that for the words "malt liquors brewed and the actual quantity sold, and the actual quantity removed from," the words "material purchased for the purpose of producing fermented liquors in," should be substituted. And the owner, agent, or superintendent, when the entries are not made by himself, must further verify them in the manner shown by Form 104, revised.

BREWERS' MONTHLY RETURNS.

Every brewer shall, on or before the tenth day of each month, render to the collector or proper deputy collector, in duplicate, a true statement in writing, (Form 18, revised,) taken from his books, for the preceding month, of the matters called for by said form, which return will be duly verified as in said form prescribed, and must be immediately for-

warded to the collector of the district, and the collector will forward a duplicate of the return to the Commissioner of Internal Revenue.

Every brewer who sells fermented liquor at retail, besides affixing and canceling the proper stamps on the vessels in which the same is contained, is required to keep an account of the quantity so sold by him, and of the number and size of the vessels in which the same may have been contained, and to make a report thereof, verified by oath, monthly, (on Form 18, revised,) to the collector. (See section 3348.)

The entire stock of fermented liquor on hand must be returned on Form 18 whether the same is in merchantable packages or otherwise.

The name, as well as the quantity, of each kind of material used in the production of fermented liquor should be returned on Form 18.

STAMPS TO BE AFFIXED AND CANCELED.

Section 3341, R. S., provides that "The Commissioner of Internal Revenue shall cause to be prepared, for the payment of such tax, suitable stamps denoting the amount of tax required to be paid on the hogsheads, barrels, and halves, thirds, quarters, sixths, and eighths of a barrel of such fermented liquors, (and shall also cause to be prepared suitable permits for the purpose hereinafter mentioned,) and shall furnish the same to the collectors of internal revenue, who shall each be required to keep on hand at all times a sufficient supply of permits, and a supply of stamps equal in amount to two months' sale thereof, if there be any brewery or brewery-warehouse in his district, and such stamps shall be sold, and permits granted and delivered by such collectors, only to the brewers of their districts respectively. Such collectors shall keep an account of the number of permits delivered and of the number and value of the stamps sold by them to each brewer; and the Commissioner of Internal Revenue shall allow upon all sales of such stamps to any brewer, and by him used in his business, a deduction of seven and a half per centum. And the amount paid into the Treasury by any collector on account of the sale of such stamps to brewers shall be included in estimating the commissions of such collector."

Every brewer desiring to obtain stamps denoting payment of the tax on fermented liquors, will first apply to the collector of the district in which his brewery is situated. Failing to obtain them of such collector, he may apply to the collector of another district, and the last-named collector, upon satisfying himself of a previous application and refusal, as before specified, may furnish to him the desired stamps.

Collectors are hereby instructed to deliver stamps and brewers' permits only upon the written order of the brewer entitled to the same, made in the following form:

(Form No. 7—Revised.)

ORDER FOR BEER-STAMPS AND BREWERS' PERMITS.

SIR: Please send me by ——— the Stamps for Fermented Liquors and Brewers' Permits specified below, viz:

BEER STAMPS.

Denomination.	No. of stamps.	Face value of each stamp.	Face value of stamps.	
Hogsheads		$2 00		
Barrels		1 00		
One-half barrel		50		
One-third barrel		33⅓		
One-fourth barrel		25		
One-sixth barrel		16⅔		
One-eighth barrel		12½		
Total face value of stamps				
Less 7½ per cent				
Total net value of stamps			$	

BREWERS' PERMITS, ———

——— ———, 189—. ——— ———, *Brewer.*

To ——— ———,

Collector, —— *Dist.,* ———

The foregoing form will be furnished to collectors in necessary quantities, as they may order.

Collectors will keep accounts of stamps sold to brewers in the record furnished by this office.

Stamps may be sold to persons who have ceased to hold a special tax stamp as brewers, to be affixed to merchantable packages, of fermented liquor lawfully manufactured by them in a previous special tax year. Such persons, however, will only be competent to sell the liquor thus stamped upon payment of the dealers' special tax.

When a legal transfer of a brewery business and the stock on hand is made, the fermented liquor in stock may be transferred unstamped and taken up and accounted for by the successor in business.

The re-use of stamps being prohibited by law, brewers must destroy the stamps on packages of fermented liquor returned to them if the stamps are removed from the packages, or if the contents are withdrawn therefrom or are in any manner changed or altered.

Section 3342, R. S., as amended by act of March 3, 1875, provides "That every brewer shall obtain, from the collector of the district in which his brewery or brewery-warehouse is situated, and not otherwise unless such collector shall fail to furnish the same upon application to him, the proper stamps, and shall affix, upon the spigot-hole in the head of every hogshead, barrel, keg, or other receptacle in which any fermented liquor is contained, when sold or removed from such

brewery or warehouse, (except in case of removal under permit, as hereinafter provided,) a stamp denoting the amount of the tax required upon such fermented liquor, which stamp shall be destroyed by driving through the same the faucet through which the liquor is to be withdrawn, or an air-faucet of equal size, at the time the vessel is tapped, in case the vessel is tapped through the other spigot-hole, (of which there shall be but two, one in the head and one in the side,) and shall, also, at the time of affixing such stamp, cancel the same by writing or imprinting thereon the name of the person, firm, or corporation by whom such liquor was made, or the initial letters thereof, and the date when cancelled. Every brewer who refuses or neglects to affix and cancel the stamps required by law in the manner aforesaid, or who affixes a false or fraudulent stamp thereto, or knowingly permits the same to be done, shall pay a penalty of one hundred dollars for each barrel or package on which such omission or fraud occurs, and be imprisoned not more than one year."

Section 3348, R. S., requires that "Every brewer who sells fermented liquor at retail at the brewery or other place where the same is made, shall affix and cancel the proper stamps upon the hogsheads, barrels, kegs, or other vessels in which the same is contained, and shall keep an account of the quantity so sold by him, and of the number and size of the hogsheads, barrels, kegs, or other vessels in which the same has been contained, and shall make a report thereof, verified by oath, monthly to the collector."

Section 3352, R. S. provides that "The ownership or possession by any person of any fermented liquor after its sale or removal from the brewery or warehouse, or other place where it was made, upon which the tax required has not been paid, shall render such liquor liable to seizure wherever found, and to forfeiture, removal under said permits excepted. And the absence of the proper stamps from any hogshead, barrel, keg, or other vessel containing fermented liquor, after its sale or removal from the brewery where it was made, or warehouse as aforesaid, shall be notice to all persons that the tax has not been paid thereon, and shall be prima-facie evidence of the non-payment thereof."

These provisions make it necessary that the stamps should be well secured to the vessels, and not easily removed therefrom except by intentional effort for that purpose. The following method of preparing and affixing them is therefore recommended:

Dissolve one pound of chloride of sodium (common salt) in two gallons of cold water; spread this over the backs of the sheets of stamps with a broad, thin brush, and then dry them. They are now ready to be affixed.

In applying the stamp to the cask, first take liquid silicate of soda of medium density; rub it well into the irregularities of the surface of the wood with a brush, and apply the stamp *quickly* while the wood is quite wet.

When the stamp is dry, a second coating of the silicate should be spread over the face of the stamp; and if the barrels are to be exposed to the action of the weather, or to be stored in damp places for considerable periods, the stamp should be secured by four tacks to prevent its peeling off.

The stamp must be affixed upon the spigot-hole in the head of the package; and the spigot or the air-faucet must in all cases be driven through the stamp in such a manner as to effectually destroy such stamp.

In renewing the stamp upon a barrel used a second time, the tacks should be withdrawn and the stamp carefully scraped off. The stamp at the time of being affixed is to be cancelled by writing or imprinting thereon the name of the person, firm, or corporation by whom such liquor was made, or the initial letters of such name and the date of such cancellation.

It has been observed that, in some cases, brewers affix two stamps of the same denomination to one package of a higher denomination, as, for instance, two quarter-barrel stamps to a half-barrel package. This practice must be discontinued, and no brewer will be allowed to use more than one stamp upon any one package, except it be a package larger than a hogshead, and collectors will report to this office each and every violation of the regulations in this regard.

REMOVAL WITHOUT STAMPS.

Section 3345, R. S., provides that "Any brewer may remove or transport, or cause to be removed or transported, from his brewery or other place of manufacture to a depot, warehouse, or other place used exclusively for storage or sale in bulk, and occupied by him in another part of the same collection district, or in another collection district, but to no other place, malt liquor of his own manufacture, known as lager-beer, in quantities of not less than six barrels in one vessel, and malt liquor of his own manufacture, known as ale or porter, or any other malt liquor of his own manufacture not heretofore mentioned, in quantities not less than fifty barrels at a time, without affixing the proper stamps on said vessels of lager-beer, ale, porter, or other malt liquor, at the brewery or place of manufacture, under a permit, which shall be granted, upon application, by the collector of the district in which said malt liquor is manufactured, and under such regulations as the Commissioner of Internal Revenue may prescribe; and thereafter the manufacturer of said malt liquor shall stamp the same, when it leaves such depot or warehouse, in the same manner and under the same penalties and liabilities as when stamped at the brewery as herein provided. And the collector of the district in which such depot or warehouse is situated shall furnish the manufacturer with the stamps for stamping the same, as if the said malt liquor had been manufactured in his district. And said permit must be affixed to every such vessel or cask so

removed and canceled or destroyed in such manner as the Commissioner of Internal Revenue may prescribe, and under the same penalties and liabilities as provided herein as to stamps."

Collectors will be supplied with permits in books containing four hundred each, upon requisition in the same manner as stamps are furnished.

For the removal of fermented liquor, permits must be obtained from the collector of the district wherein such liquor was manufactured, on application to that officer, which application is to be made in the following form:

APPLICATION FOR PERMIT TO REMOVE FERMENTED LIQUOR FROM BREWERY TO WAREHOUSE.

———, ———, 189—.

To the Collector of Internal Revenue, ——— *Collection District, State of* ———.

The undersigned, manufacturer of ———, at ———, in said district, owning (or occupying or hiring) a depot or warehouse for the storage and sale of the same in the —— district of the State of ———, to wit: at ———, in the ——— of ———, and county of ———, hereby applies for the necessary permits to remove ——— barrels of ——— from his brewery aforesaid to his place of storage and sale aforesaid, without affixing stamps thereto.

The quantity of fermented liquors now at said brewery is as follows: [Quantity stated here;] and the quantity of the same at said warehouse is as follows: [Quantity at warehouse stated here.]

(Signed) ——— ———.

Upon the receipt of this application, the collector will fill out and sign the required permits, and deliver them to the applicant, who will append or indorse his receipt therefor on the application in the following form, viz:

———, ———, 189—.

Received this day from ——— ———, collector of the —— district, and State of ———, permits numbered as follows: —— to ——, both serial numbers inclusive, which are to be immediately affixed to the within-mentioned barrels of ———, for removal as within specified.

——— ———,
Brewer.

The brewer, upon receiving the permits, will at once securely affix them to the heads of the barrels near the chime, and immediately under the bung-stave.

At the time the permit is affixed, he will cancel it by writing or stamping across the face thereof his name, the location of his brewery, and the date of the cancellation of the permit.

As soon as the permits are affixed, and within five days after their delivery to the brewer, he will notify the collector of the fact, in order that the collector may record the date of affixing on the stubs of such permits retained in his office.

Permits are intended merely to protect the liquor while in transit from the brewery to the warehouse, and any package found out of the

warehouse under permit at any time after it should have been in warehouse may be detained, and the claimant required to prove absence of fraudulent intent.

The date of affixing the permit, or, in case this date is accidentally obliterated, the date of issuing the permit, is the point of time from which calculations should be made in determining as to whether the package has been too long on the way from the brewery to the warehouse. In case both dates are illegible, the package may be detained, and the claimant required to prove that no fraud has been practiced or is intended. The serial number of the permit will indicate the means of release where there is no fraud in the case, the collector who issued the permit being able to give the date thereof from the serial number on the stub in his possession. In case the warehouse is situated in his own district, the collector will take such precautions as he sees fit to secure the prompt delivery of the liquor into the warehouse. In case the warehouse is in another district, a notification on Form No. 29, revised, will be forwarded by the collector to the collector of the district to which the removal is to be made; and the brewer will promptly notify the last-named collector of the receipt at his store or warehouse of such fermented liquor. If this last notice is not seasonably received, information of this fact will be given by the collector in whose district the warehouse is situated to the collector who granted the permits.

Collectors and brewers are requested to write or stamp the dates on these permits with great distinctness.

The permits will be retained on the packages until they are withdrawn from the warehouse, and the tax-paid stamps affixed, at which time the permits will be scraped off and utterly destroyed.

A record of all permits granted must be kept by the collector granting them.

Stamps for use at the place of storage in these cases should be obtained of the collector of the district within which the warehouse is situated.

Brewers will enter all liquor removed to other collection districts under permits on the book, (Form 104, revised,) and report the same on the return, (Form 18, revised.)

REMOVAL OF SOUR OR DAMAGED FERMENTED LIQUOR.

Section 3347, R. S., provides that "When fermented liquor has become sour or damaged, so as to be incapable of use as such, brewers may sell the same for manufacturing purposes, and may remove the same to places where it may be used for such purposes, in casks, or other vessels, unlike those ordinarily used for fermented liquors, containing respectively not less than one barrel each, and having the nature of their contents marked upon them, without affixing thereon the permit, stamp or stamps required."

BOTTLING.

Section 3354, R. S., provides that "Every person who withdraws any fermented liquor from any hogshead, barrel, keg, or other vessel, upon which the proper stamp has not been affixed, for the purpose of bottling the same, or who carries on, or attempts to carry on, the business of bottling fermented liquor in any brewery, or other place in which fermented liquor is made, or upon any premises having communication with such brewery, or any warehouse, shall be liable to a fine of five hundred dollars, and the property used in such bottling or business shall be liable to forfeiture." The attention of collectors is called to the fact that the law does not under any circumstances permit bottling on any portion of the premises described in the Form 27*c*.

Bottling must be performed in a building entirely distinct and separate from any brewery, or any warehouse, and having no communication therewith.

The bottling of fermented liquor from open and unstamped vessels is not permitted by law; neither is the addition of water, fermenting agents, extracts, &c., allowed previous to bottling.

The steaming, washing, and storage of bottles on a brewery premises is no more permissible than the filling of the same.

Beer intended for bottling must be drawn into stamped packages and removed from the brewery, and the bottling premises must be so separated from the brewery that the beer must be carried upon the public highway in its passage from the brewery to the bottling establishment.

CASKS TO BE MARKED.

Section 3349, R. S., provides that "Every brewer shall, by branding, mark or cause to be marked upon every hogshead, barrel, keg, or other vessel containing the fermented liquor made by him, before it is sold or removed from the brewery or brewery warehouse, or other place of manufacture, the name of the person, firm, or corporation by whom such liquor was manufactured, and the place of manufacture; and every person other than the owner thereof, or his agent authorized so to do, who intentionally removes or defaces such marks therefrom, shall be liable to a penalty of fifty dollars for each cask or other vessel from which the mark is so removed or defaced: *Provided*, That when a brewer purchases fermented liquor finished and ready for sale from another brewer, in order to supply the customers of such purchaser, the purchaser may, upon written notice to the collector of his intention so to do, and under such regulations as the Commissioner of Internal Revenue may prescribe, furnish his own vessels, branded with his name and the place where his brewery is situated, to be filled with the fermented liquor so purchased, and to be so removed; the proper stamps to be affixed and canceled, as aforesaid, by the manufacturer before removal."

The notice in this case will be furnished to the collector in time to afford him an opportunity to detail an officer to witness the filling of the vessels, and will be in the following form:

——, ——, 189—.

SIR: You are hereby notified that I have purchased —— barrels of —— from M— ——, brewer, and that I intend to furnish my own vessels, branded with my own name, for the reception of said liquor, said vessels to be delivered from the premises of said brewer at —— o'clock — M., on the —— day of ——, 189—.

—— ——,
Brewer.

To —— ——,
Collector.

The collector will detail an officer to witness the delivery of the liquor from the premises of the manufacturer, who, after having seen the vessels filled and the stamps affixed, will certify to the facts on the back of the notice in the following form, viz:

——, ——, 189—.

I hereby certify that the within-named vessels, (branded as follows,) —— ——, were in my presence filled with ——, manufactured by —— ——, and tax-paid stamps thereto affixed and canceled in the usual manner by said —— ——.

(Signed) —— ——,
——.

He will then deliver the notice to the collector, who will retain it on file in his office.

Where, by reason of an accident by fire or flood, or by reason of his brewery undergoing repairs, or other circumstances which may, in the opinion of the collector of the proper district, require or render it proper that a brewer shall be permitted to conduct his business wholly or partially at some other place within the same or adjoining district for a temporary period, it shall be lawful for such collector, under such regulations and subject to such limitation of time as the Commissioner of Internal Revenue may prescribe, to issue a permit to such brewer authorizing him to conduct his business wholly or partially, according to the circumstances, at such other place for a period in such permit to be stated, and such brewer shall not be required to pay another special tax for the purpose. (Section 3350.)

The permit in the case will be made in duplicate, one copy to be delivered to the brewer and one forwarded to the Commissioner of Internal Revenue, and will be in the following form, viz:

OFFICE COLLECTOR OF INTERNAL REVENUE,
—— *District of* ——,
—— ——, 189—.

——:

In accordance with your request, and in consequence of ————, (here set forth the nature of the accident or other cause,) you are hereby authorized to manufacture —— on the premises owned by —— ——, situated at No. —— —— street, in the —— of ——, county of ——, and —— district of the State of ——, during a period extending from the —— day of ————, 189—, to the —— day of ——, 189—, without paying any special tax other than that by which you are authorized to conduct the business of brewing on the premises owned by —— ——,

situated at No. —— ——— street, in the ——— of ———, county of ———, and ——— district of the State of ———, it being expressly understood that the liquor produced on the premises herein mentioned to be temporarily used by you shall be put up in vessels branded with your name, and regular place of business, reported on your books and returns as constructively produced and sold at such place of business, but actually at the place temporarily occupied under section 3350, the stamps or permits in case of removal to be procured from me.

——— ———,
Collector.

To ——— ———,
Brewer.

In case the premises to be temporarily used are situated in an adjoining district, the collector will not issue the permit without the written consent of the collector of that district or special authority of this office.

No such permit will be given until consent to the business being conducted as proposed shall be endorsed on the brewer's bond by the principal and sureties thereof.

SALE AND REMOVAL OF UNFERMENTED WORTS.

Section 3551, R. S., provides that "When malt liquor or tun liquor, in the first stages of fermentation, known as unfermented worts, of whatever kind, is sold by one brewer to another for the purpose of producing fermentation or enlivening old or stale ale, porter, lager-beer, or other fermented liquors, it shall not be liable to a tax to be paid by the seller thereof, but the tax on the same shall be paid by the purchaser thereof, when the same, having been mixed with the old or stale beer, is sold by him as provided by law, and such sale or transfer shall be subject to such restrictions and regulations as the Commissioner of Internal Revenue may prescribe."

Any brewer desiring to transfer unfermented worts from one brewery to another may do so upon obtaining a permit therefor from the collector of the district in which the brewery from which the worts are to be removed is situated, which permit will state specifically the quantity to be removed and the time in which the removal is to be made. Collectors will be careful to ascertain the exact time required, and fill up the permit accordingly.

To avoid trouble, brewers are desired, as far as possible, to use in such cases vessels unlike those ordinarily used for fermented liquors, containing not less than one barrel each, and having the nature of their contents marked upon them.

PENALTIES.

In addition to the penalties hereinbefore stated, section 3342, R. S., provides that "Every brewer who refuses or neglects to affix and cancel the stamps required by law in the manner aforesaid, or who affixes a false or fraudulent stamp thereto, or knowingly permits the same to be done, shall pay a penalty of one hundred dollars for each barrel or

package on which such omission or fraud occurs, and be imprisoned not more than one year."

Section 3343, R. S., provides that "Whenever any brewer, cartman, agent for transportation, or other person, sells, removes, receives, or purchases, or in any way aids in the sale, removal, receipt, or purchase, of any fermented liquor contained in any hogshead, barrel, keg, or other vessel from any brewery or brewery warehouse, upon which the stamp, or permit, in case of removal, required by law, has not been affixed, or on which a false or fraudulent stamp, or permit, in case of removal, is affixed, with knowledge that it is such, or on which a stamp, or permit, in case of removal, once cancelled, is used a second time, he shall be fined one hundred dollars and imprisoned for not more than one year."

Section 3344, R. S., provides that "Whenever any retail dealer, or other person, withdraws or aids in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel containing the same, without destroying or defacing the stamp affixed thereon, or withdraws or aids in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel, upon which the proper stamp has not been affixed or on which a false or fraudulent stamp is affixed, he shall be fined one hundred dollars and imprisoned not more than one year."

Section 3346, R. S., as amended by act of March 1, 1879, provides that "Every person who makes, sells, or uses any false or counterfeit stamp or permit, or die for printing or making stamps or permits, which is in imitation of or purports to be a lawful stamp, permit, or die of the kind before mentioned in this chapter, or who procures the same to be done, and every person who shall remove, or cause to be removed, from any cask or package of fermented liquors, any stamp denoting the tax thereon, with intent to re-use such stamp, or who, with intent to defraud the revenue, knowingly uses, or permits to be used, any stamp removed from another cask or package, or receives, buys, sells, gives away, or has in his possession, any stamp so removed, or makes any fraudulent use of any stamp for fermented liquors, shall be fined not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than three years."

Section 3353, R. S., provides that "Every person, other than the purchaser or owner of any fermented liquor, or person acting on his behalf, or as his agent, who intentionally removes or defaces the stamp or permit affixed upon the hogshead, barrel, keg, or other vessel, in which the same is contained, shall be liable to a fine of fifty dollars for each such vessel from which the stamp or permit is so removed or defaced, and to render compensation to such purchaser or owner for all damages sustained by him therefrom."

Collectors will compare the monthly return made by brewers with their own account of the stamps sold to the same brewers, and will take special care, when applications are made for permits to remove fermented

liquors from one collection district to another, to satisfy themselves that no fraud is intended, and that none is committed, in case the permits are granted.

The collector will take suitable measures, including seizure, if necessary, for the prevention of fraud in the sale and removal of fermented liquor alleged to be unfermented worts, or to be sour or damaged.

The collector will, from time to time, examine the barrels and other vessels used in the sale of fermented liquors, to see if they are properly marked, as required by section 3349, R. S., as well as to determine if their capacity is greater than indicated by the stamps placed thereon, and, when satisfied that the Government is deprived of its just amount of tax, the collector will report the fact to the Commissioner of Internal Revenue, when the deficiency will be assessed and returned to the collector on the monthly list, "Form 23."

Collectors are especially enjoined, either personally or by deputy, to visit breweries and make examinations of brewers' books at other than stated times, to see that nothing required to be entered in the books is omitted, and that all the entries made are in strict accordance with the facts.

Each collector will, on the first day of August, in each year hereafter, report to the Commissioner the name of every brewer in his district, arranging the names in the list in alphabetical order.

In case of discontinuance of business by a brewer, or change of firm, the collector will endorse upon the copy of Form 18, forwarded to the Commissioner, last rendered by the outgoing brewer or firm, the words "Last return of this brewer, [or firm,]" "Brewer [or firm] retired from business," or "Firm-name changed to ———," as the case may be.

Each collector will furnish every brewer in his district with a copy of these regulations.

JOHN W. MASON,
Commissioner.

(Series 7, No. 6, Revised—Supplement No. 1.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING THE

TRANSFER OF FERMENTED LIQUORS

FROM A BREWERY

BY WAY OF PIPE LINE OR OTHER CONDUIT

FOR THE

SOLE PURPOSE OF BOTTLING THE SAME.

JULY 3, 1890.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

TREASURY DEPARTMENT.
Document No. 1326.
Internal Revenue.

55277

(SERIES 7, No. 6, REVISED—SUPPLEMENT No. 1.)

REGULATIONS

CONCERNING THE

Removal of Fermented Liquors from a brewery by way of a pipe line or other conduit for the sole purpose of bottling the same, under the provisions of section 3354 *of the Revised Statutes of the United States as amended by the act approved June* 18, 1890.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, July 3, 1890.

Section 3354 of the Revised Statutes of the United States, as amended by the act approved June 18, 1890, provides that—

"Every person who withdraws any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp has not been affixed, for the purpose of bottling the same, or who carries on, or attempts to carry on, the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery, or any warehouse, shall be liable to a fine of five hundred dollars, and the property used in such bottling or business shall be liable to forfeiture: *Provided, however*, That this section shall not be construed to prevent the withdrawal and transfer of fermented liquors from any of the vats in any brewery, by way of a pipe line or other conduit, to another building or place, for the sole purpose of bottling the same; such pipe line or conduit to be constructed and operated in such manner, and with such cisterns, vats, tanks, valves, cocks, faucets, and gauges, or other utensils or apparatus, either on the premises of the brewery or the bottling house, and with such changes of or additions thereto, and such locks, seals, or other fastenings, and under such rules and regulations as shall be from time to time prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, and all locks and seals prescribed shall be provided by the Commissioner of Internal Revenue, at the expense of the United States: *Provided further*, That the tax imposed in section thirty-three hundred and thirty-nine of the Revised Statutes of the United States shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit, at the time of such removal, by the cancellation and defacement, by the collector of the district, or his

deputy, in the presence of the brewer, of the number of stamps denoting the tax on the fermented liquor thus removed. The stamps thus canceled and defaced shall be disposed of and accounted for in the manner directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. And any violation of the rules and regulations hereafter prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in pursuance of these provisions, shall be subject to the penalties above provided by this section. Every owner, agent, or superintendent of any brewery or bottling house who removes, or connives at the removal of, any fermented liquor through a pipe line or conduit, without payment of the tax thereon, or who attempts in any manner to defraud the revenue as above, shall forfeit all the liquors made by and for him, and all vessels, utensils, and apparatus used in making the same."

By virtue of the authority conferred in said section, as amended, the following regulations are prescribed governing the removal of fermented liquor from the brewery where produced to a bottling establishment by way of a pipe line or other conduit.

NOTICE TO BE GIVEN BY BREWER.

Every brewer, before transferring fermented liquor by way of a pipe line or other conduit, as herein provided, shall file with the collector of the district, or proper deputy collector, a "*Supplemental*" notice on Form 27 C, in duplicate, to be disposed of as required in case of ordinary notices on said Form.

No entry will be required on the second page of this *Supplemental* notice, except the following: "Fermented liquor will be transferred from these premises for bottling by way of pipe line or conduit, under the act of June 18, 1890, and it is expected that application will be made to thus remove ——— barrels of liquor once in ——— days."

This entry will also be made on all subsequent notices given on Form 27 C by the brewer during the continuance of the removal of fermented liquor as above.

The collector, or the proper deputy collector, will certify in the blank space at the foot of the third page of the Supplemental notice, above mentioned, that the brewer has constructed a pipe line or conduit, and a measuring cistern and attachments, in strict compliance with the regulations, and that the gauge attached to the cistern is found by actual test to correctly indicate the contents of the cistern at all points.

CONSTRUCTION OF CISTERNS.

Each brewer intending to remove fermented liquor by way of a pipe line or other conduit, as herein provided, must erect upon his brewery

premises, for the reception of the liquor to be thus removed, a measuring cistern, of such shape as to admit of ready measurement, and capable of containing as much liquor as will be removed for bottling each 24 hours.

Such cistern must be securely covered, and if an opening is desired in the top for any purpose, the opening must be so covered and arranged that it can be securely locked.

A suitable glass gauge, or tube, must be so attached to the cistern that the liquor will enter the gauge, or tube, and stand therein on the same level at which it stands in the vessel.

On the surface of such gauge will be etched such lines and figures as will constantly indicate the exact number of barrels of liquor, of 31 gallons each, in the vessel.

Stop-cocks, arranged so as to completely control the flow of liquor both into and out of the measuring cistern, and capable of being locked, must be provided.

The vessel designed for this purpose must have a capacity of at least 10 barrels, and in the event that it should be impracticable to construct the same of sufficient capacity to supply the requirements of the bottling house for a period of twenty-four hours, more than one vessel may be constructed and used when authorized by the collector of the district.

No cistern shall be used for the purpose indicated until after it has been carefully examined and gauged or measured by a deputy collector and he has attached thereto his certificate that the same is constructed in strict compliance with these regulations, and that the gauge registers accurately.

The vessel thus provided and its attachments may be examined, and the accuracy of the gauge verified at any and all times by internal-revenue officers and agents, and for this purpose the brewer shall, on demand, empty the vessel and provide suitable appliances for its examination.

CONSTRUCTION OF THE PIPE LINE OR CONDUIT.

The pipe line or conduit employed for the conveyance of fermented liquor, under the provisions of the law above quoted, must be so constructed as to admit of ready examination throughout its entire length from the point of junction with the measuring cistern, previously described, to the receptacle in the bottling house.*

* It should be borne in mind that in all cases where fermented liquor is removed from the brewery for bottling by way of pipe line or other conduit, the bottling house must be as distinctly separated from the brewery as is required where the removal of fermented liquor is effected in regularly stamped vessels. (See page 15 of Series 7, No. 6, Revised.)

The pipe or conduit must also be securely connected with the cistern described above, and a stop-cock capable of being fastened by a padlock must be placed at the point of connection, as above directed.

No opening whatever will be permitted in the pipe line or conduit throughout its entire length.

PLAN OF BREWERY AND COURSE OF PIPE LINE.

Prior to being authorized to remove fermented liquor, as herein provided, the brewer must prepare at his own expense an accurate plan and description, in triplicate, showing in detail the exact location of all pipes, cisterns, vats, tanks, valves, cocks, faucets, gauges, or other utensils or apparatus, either on the premises of the brewery, the bottling house, or intermediate, used in the transfer of fermented liquor as above.*

Such plan must be on good paper or tracing linen, 15 by 20 inches in size, and drawn to a scale to be indicated thereon.

The exact capacity of the measuring cistern in the brewery will be stated on the plan, and the course of the pipe line or conduit leading therefrom to the bottling establishment will also be correctly delineated thereon, exhibiting the thoroughfares crossed by the pipe line or conduit.

The plan will also correctly indicate the boundary line of the brewery premises, as described on Form 27 C, and the nature of the business conducted in all buildings located within 10 feet of the pipe line or conduit aforesaid.

One of said plans will be conspicuously displayed on the brewery premises, one will be filed with the collector of the district, and the third will be transmitted to the Commissioner of Internal Revenue.

Any alteration of, or addition to, any portion of the apparatus employed in the removal of fermented liquor, as above, will be shown on a supplemental plan to be prepared and disposed of as above directed.

LOCKS AND SEALS.

The stop-cock controlling the flow of fermented liquor into the measuring cistern on the brewery premises, as well as the opening in the top of such cistern, if any, will be secured by padlocks, and the stop-cock controlling the outlet of the cistern at its junction with the pipe line or conduit will be secured by a seal lock.

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* In order to insure the construction of the pipe line and apparatus in such manner as to comply fully with law and regulations, it is suggested that the plan and description be prepared and submitted to the collector of the district in advance of such construction.

When the plan is thus submitted the collector will carefully examine the same, and if it be found to meet the requirements of the law and regulations he will so certify on each copy of the plan, and transmit one copy of it to this office for its approval.

Requisition for locks and seals for the purpose indicated will be addressed to the Commissioner of Internal Revenue by collectors, and the name of the person or firm operating the brewery will be indicated in all cases, as well as the precise part of the apparatus upon which each lock is to be used.

A supply of seals sufficient for six months' requirement will be ordered at a time.

In the event that perfect locks or seals procured for use at distilleries and for which there is no present demand are in the district the same may be employed for the service indicated.

Locks and seals procured for use at breweries will be returned on Form 152 in the same manner as required in case of those ordered for service at distilleries.

The locks will be used by deputy collectors as hereinafter directed.

Seals will be used consecutively in the order in which they are numbered.

Deputy collectors having charge of locks, keys, and seals, procured for the use above indicated, are strictly prohibited from intrusting the same to any person other than an internal-revenue officer entitled to receive the same, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.

TESTING OF MEASURING CISTERN, AND EXAMINATION OF APPARATUS.

After the measuring cistern and pipe line or conduit have been constructed, and a plan thereof filed, as above directed, the collector will detail a deputy collector to carefully examine the entire apparatus to see that it is constructed in strict compliance with these regulations. The deputy will also test the accuracy of the gauge required to be attached to the cistern, and if it be found that the same is not *strictly accurate*, or that any portion of the apparatus does not conform to these requirements, he will see that the proper changes are made.

When the deputy becomes satisfied that the cistern and attachments are properly constructed, as above, he will so report to the collector of the district in writing, and also securely attach to the cistern a certificate in the following form:

FORM 251.

United States Internal Revenue.

Deputy collector's certificate as to result of examination of measuring cistern and appliances employed at ——— by ——— ———, brewer, for conveyance of fermented liquor to the bottling house.

I hereby certify that on the ——— day of ———, 189—, I carefully

examined the cistern to which this certificate is affixed, and the attachments thereto, including the pipe line or conduit, and found the same constructed in strict compliance with the regulations governing their construction.

I also certify that I made an actual test of the gauge tube affixed to this cistern, and found that it accurately indicates at all points the contents of the cistern.

——— ———,
Deputy Collector.

TRANSFER OF FERMENTED LIQUOR TO BOTTLING HOUSE.

Upon compliance with the foregoing requirements the brewer may be permitted to transfer fermented liquor from the brewery, by way of the pipe line or conduit, for the sole purpose of bottling the same, upon making application to the collector of the district or the proper deputy collector.

This application will be made on Form 252, and the brewer will state thereon the number of barrels of 31 gallons each of fermented liquor which he desires to transfer, which number must, in all cases, include a sufficient quantity of liquor to meet the demands of the bottling house for a period of at least twenty-four hours.

In no instance, however, will less than 10 barrels of liquor be removed at one time.

Request will also be made on said Form for the attendance of a deputy collector to superintend the transfer and to deface stamps indicating the tax on the liquor thus removed.

Upon receipt of said application a deputy collector, to be indicated by the collector of the district, will proceed to the brewery and superintend the transfer of the liquor mentioned in the brewer's application and cancel and deface stamps as provided below.

Before unlocking the lock controlling the flow of liquor from the measuring cistern the deputy collector must not fail to exercise three precautions, viz :

First. Securely lock the stop-cock controlling the flow of liquor into the measuring cistern, and the opening in the top of said cistern, if any.

Second. Note the quantity of liquor in the cistern.

Third. Observe if the proper seal is in the lock at the junction of the pipe line or conduit with the measuring cistern, and that it is intact.

Having observed these precautions, the deputy collector will enable the brewer to open the stop-cock controlling the flow of liquor from the measuring cistern by removing the lock securing the same.

After all of the liquor in the cistern shall have entered the pipe line or conduit, or so much thereof as the brewer shall desire withdrawn, which quantity shall be in full barrels of 31 gallons each and not less than 10 in number, the deputy collector will close the stop-cock controlling the flow of liquor from the cistern and secure the same by the lock provided for such purpose, first inserting the proper seal.

He will then unlock the stop-cock controlling the flow of liquor into the measuring cistern, as well as the lock securing the opening in the top of said cistern, where one is provided, and permit the same to remain unlocked until such time as liquor shall be again withdrawn from the cistern.

CANCELLATION AND DEFACEMENT OF STAMPS.

The brewer will then present to the deputy collector, for cancellation and defacement, the requisite number of beer stamps denoting the full amount of tax upon the entire quantity of fermented liquor withdrawn from the cistern, as above; such stamps to have written, or imprinted, on the margin of each one the name of the person, firm, or corporation by whom such liquor was made, or the initial letters thereof, and the date of the transfer of the liquor.

The deputy collector, having satisfied himself by inspection thereof that the name and date are properly written or imprinted upon each stamp, as above directed, will then proceed to cancel and deface the stamps in the presence of the brewer by driving through the same a die or punch, to be provided for that purpose, in such manner as to cut from the center of each stamp a piece thereof one inch square.

DISPOSITION TO BE MADE OF CANCELED STAMPS.

The deputy collector will retain the stamps thus canceled and defaced, and transmit the same to the collector of the district, securely attached to Form 252, upon which he will certify as to the exact quantity of fermented liquor removed under his superintendence.

The deputy collector will further certify on said form that he superintended the transfer of the liquor, stating the quantity, and that the stamps denoting the tax on the entire quantity of fermented liquor thus transferred were canceled and defaced, as above provided.

The several returns on Form 252 and the accompanying canceled and defaced stamps will be retained by the collector until the 10th day of the succeeding month, when all of the returns on Form 252 rendered for the previous month, and the canceled and defaced stamps appertaining thereto, will be forwarded by registered mail, and in one pack-

age, to the Commissioner of Internal Revenue; care being taken to have the returns of each particular brewer separated from the others.

The stamps defaced as above, accompanying each return, Form 252, will be secured by passing a string through the holes cut by the die or punch and tying the ends.

RETURN ON FORM 18 OF FERMENTED LIQUOR TRANSFERRED BY PIPE LINE OR CONDUIT.

Every brewer who transfers fermented liquor to a bottling house by way of pipe line or conduit, as herein provided, will return, on Form 18, in a separate item, the entire quantity of fermented liquor thus transferred, as well as the number and kind of stamps used, as directed, in the payment of the tax thereon.

G. W. WILSON,
Acting Commissioner.

Approved:

GEORGE S. BATCHELLER,
Acting Secretary of the Treasury.

(Series 7, No. 6, Revised—Supplement No. 2.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING THE

TRANSFER OF FERMENTED LIQUORS

FROM A BREWERY

BY WAY OF A PIPE LINE OR OTHER CONDUIT

FOR THE

SOLE PURPOSE OF BOTTLING THE SAME.

SEPTEMBER 22, 1890.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

TREASURY DEPARTMENT.
Document No. 1338.
Internal Revenue.

55277

REGULATIONS

CONCERNING THE

Removal of fermented liquors from a brewery by way of a pipe line or other conduit for the sole purpose of bottling the same, under the provisions of section 3354 *of the Revised Statutes of the United States, as amended by the act approved June* 18, 1890.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, September 22, 1890.

The regulations concerning the transfer of fermented liquors from a brewery by way of a pipe line or other conduit for the sole purpose of bottling the same, known as Series 7, No. 6, Revised—Supplement No. 1, are hereby modified so as to permit the erection of the measuring cistern, for the reception of the liquor thus removed, either upon the brewery premises or upon the premises where the bottling is performed, at the option of the brewer.

In case, however, the said measuring cistern is erected upon the bottling premises the pipe or conduit conveying liquor thereto from the brewery can be placed underground only by running the same through a tunnel of sufficient size to admit the convenient passage through its entire length of the officer who is required to examine the pipe line.

The pipe line or other conduit in such case must be so placed in said tunnel as to admit of ready examination of the same at all points from end to end.

It is further required where the measuring receptacle is located at the bottling establishment that the stop-cock controlling the flow of fermented liquor into the same shall be secured by a seal lock as well as the one controlling the outlet thereof.

In no instance will both of said cocks be unlocked at the same time, but either may be opened, and remain open, as best suits the convenience of the brewer, it being expected that collectors will exercise such care and supervision in the matter as not to afford opportunity to pass

any fermented liquor through the pipe line and connected cistern, except such as has its exact quantity duly noted and the tax thereon paid as provided by law.

Where the nature and extent of a brewer's business is such as to require the use of more than one measuring cistern, a separate supply pipe for each cistern may be authorized by the collector if necessary, in which event each additional cistern and pipe will be constructed, secured, and operated in the same manner as is required in the case of a single measuring cistern and supply pipe.

If the successful prosecution of the business renders it necessary to connect any portion of the apparatus upon the bottling premises with the refrigerating machine, or with the air pump, upon the brewery premises, the connecting pipes must also be exposed to view for their entire length, and be subject to ready examination by revenue officers and agents at all times.

Such additional appliances will be correctly delineated upon the required plan with the same exactness as is provided in the case of the pipe line or other conduit.

Where the measuring cistern is located upon the bottling premises, as above, the deputy collector in charge will require payment by stamps, as provided, upon the entire quantity of fermented liquor in the cistern before any portion of the same is withdrawn therefrom.

In no instance will the deputy collector unlock a cock controlling the flow of fermented liquor either into or out of the measuring cistern without first observing that the seal in the lock is intact.

The deputy collector in charge of any brewery operating a pipe line as above is expected frequently to make such a careful examination of all pipes leading from the brewery premises to the bottling establishment as to be constantly assured that said pipes afford no opportunity for the surreptitious removal of untaxed fermented liquor.

He is also required to exercise such a strict surveillance over the operations of the brewery and pipe line as to insure a full and literal compliance with the law and regulations governing the same.

Where fermented liquor is to be removed to a bottling establishment by pipe line or conduit, *to be bottled for export*, notice on Form 252 of such intended removal will not be required. All such removals will be made under regulations designated as Series 7, No. 10, revised, to take effect January 1, 1891.

JOHN W. MASON,
Commissioner.

Approved:

GEORGE S. BATCHELLER,
Acting Secretary of the Treasury.

(Series 7, No. 7, Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS AND INSTRUCTIONS

CONCERNING THE

TAX ON DISTILLED SPIRITS,

UNDER THE

REVISED STATUTES OF THE UNITED STATES
AND SUBSEQUENT ACTS.

MAY 3, 1890.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1891.

TREASURY DEPARTMENT,
Document No. 1315.
Internal Revenue.

55277

(Series 7, No. 7, Revised.)

REGULATIONS AND INSTRUCTIONS

CONCERNING THE

MANUFACTURE, TAXATION, BONDING, SALE, AND EXPORTATION OF DISTILLED SPIRITS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, D. C., May 3, 1890.

By the Revised Statutes of the United States, section 3251, as amended by section 1, act of March 3, 1875, it is provided that there shall be levied and collected on all distilled spirits *produced in the United States* on which the tax prescribed by law has not been paid a tax of 90 cents on each proof gallon, *or wine gallon when below proof*, to be paid by the distiller, owner, or person having possession thereof before removal from the distillery *bonded* warehouse; and that the tax on such spirits shall be collected on the whole number of gauge or wine gallons when below proof, and shall be increased in proportion for any greater strength than the strength of proof spirit, as defined in section 3249, Revised Statutes, and any fractional part of a gallon amounting to one-half gallon or over in a cask or package shall be taxed as a gallon, and any fractional part of a gallon less than one-half gallon in any cask or package shall be exempt from tax.

PROOF SPIRIT DEFINED.

Section 3249, Revised Statutes, provides that proof spirit shall be held to be that alcoholic liquor which contains one-half its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine ten-thousandths (.7939) at 60° F.

TAX AND ASSESSMENTS TO BE LIENS.

Every proprietor or possessor of, and every person in any manner interested in the use of, any still, distillery, or distilling apparatus, is made jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom, and the tax is a first lien on the

spirits distilled, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, and on the lot or tract of land whereon the distillery is situated, together with any building thereon, from the time said spirits are in existence as such until the tax is paid.

All assessments made under section 3309, Revised Statutes, as amended by section 12 of the act making appropriations to supply deficiencies, approved March 3, 1875, are a lien from the time the assessment is made until the same shall have been paid, upon all distilled spirits on the distillery premises, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, the tract of land whereon the said distillery is located, and any building thereon.

DISTILLER DEFINED.

Every person who produces distilled spirits, or who brews or makes mash, wort, or wash, fit for distillation or for the production of spirits, or who, by any process of evaporization, separates alcoholic spirit from grain, molasses, fruit, or any other fermented substance, or who, making or keeping mash, wort, or wash, has also in his possession or use a still, is, under the provisions of law, regarded as a distiller. The making of fermented liquors, or of fermented liquids, to be used for the manufacture of vinegar exclusively, and the separation, by a vaporizing process, of the alcoholic property from a mash, and its condensation by being introduced into the water or other liquid used in making vinegar, is permitted by section 3282, Revised Statutes, as amended by section 5 of the act of March 1, 1879.

MANUFACTURERS OF STILLS.

Any person who manufactures any still or worm to be used in distilling is to be deemed a manufacturer of stills, and is required to pay a special tax of $50; and in addition thereto, $20 for each still or worm for distilling made by him—*i. e.*, $20 for each still and $20 for each worm.

Whenever an old still or worm, which has become unfit for use, is repaired, by the addition of new material, to such an extent as to virtually result in the construction of a new still or worm, the manufacturer thereof will be held liable to the tax of $20 for each still or worm so constructed by him.

By section 18 of the act of May 28, 1880, distillers in registered distilleries, who manufacture for their own use wooden stills, are exempted from the payment of the special tax, but they are required to give notice to the collector of the district in which the distillery is located of each still manufactured before the same is used.

This does not apply to the manufacture of wooden stills for the use of distillers by any other persons than the distillers themselves: nor does it apply to the manufacture of wooden stills by a distiller for any other than his own use.

No tax should be required on account of the manufacture of a still of the capacity of 5 gallons or less, unless it shall appear that the still has been in fact used for the purpose of distilling spirits, and that the manufacturer knew, or could with proper inquiry have known at the time of disposing of such still, that it was intended to be so used.

Stills of a larger capacity than 5 gallons, so constructed that they can be used for the distillation of spirits, will be presumed to be intended for use in distilling spirits, and their manufacture will be held to incur the taxes imposed by section 3244, Revised Statutes, paragraph "Second."

Any person manufacturing any still, boiler, or other vessel to be used for the purpose of distilling, must, before the same is removed from the place of manufacture, notify, in writing, the collector of the district in which such still, boiler, or other vessel is to be set up, by whom it is to be used, its capacity, and the time when the same is to be removed from the place of manufacture. No such still can be set up without the permit of such collector for that purpose. (See section 3265, Revised Statutes.)

REGISTRY OF STILLS.

Every person having in his possession, custody, or under his control any still or distilling apparatus, set up, is required (section 3258, Revised Statutes) to register the same with the collector of the district in which such still or distilling apparatus is located. Such registry must be made immediately after the still or distilling apparatus comes into the possession, custody, or under the control of such person, whether it be a new still or distilling apparatus, or whether one party succeeds another in the possession, custody, control, or use of such still or distilling apparatus. This registry will be made on Form 26, in duplicate, and delivered to the collector, who will retain and preserve one copy and will immediately forward one copy to the Commissioner of Internal Revenue. Said registry must state the city or town, county, State, district, and division in which such still or distilling apparatus is located, the name and residence of the owner, the number of each still, the kind of still, the cubic contents in gallons, whether intended for use or not, and if for use the purpose for which it is to be used, the serial number of the distillery in which it is located, and must be signed by the owner or person in

whose possession, custody, or control such still or distilling apparatus may be, and also by the deputy collector of the division, and must also give the date of such registry. The law requires all stills set up to be registered, whether intended for use or not, and this applies to all stills, of whatever size and for whatever purpose intended, whether for the distillation of spirits or for pharmaceutical or other purposes; and any still or distilling apparatus which is not so registered is subject to forfeiture to the United States, together with all personal property in the possession or custody or under the control of such person, and found in the building or in any yard or inclosure connected with the building in which the same may be set up; and the person whose duty it is to register any still or distilling apparatus, failing to do so, is subject to a pecuniary penalty and to fine and imprisonment under section 3258, Revised Statutes.

NOTICE BY DISTILLER.

Every person engaged in the business of a distiller, or intending to engage therein, or who wishes to continue in such business on and after the 1st of May of each year, must give notice of such intention (section 3259, U. S. Revised Statutes), over his own signature, to the collector, who will forward a certified copy of such notice to the Commissioner of Internal Revenue. This notice will be given on Form 27*a* in case of a distiller using materials other than apples, peaches, or grapes, and on Form 27½ in case of a distiller using apples, peaches, or grapes exclusively.

In preparing the notice on Form 27*a* reference should be had to sections 3259, 3262, 3267, and 3271, Revised Statutes, and the notice should be prepared in strict conformity therewith.

The Form 27*a* required, in the case of a distiller from grain or molasses, must fully state the name and place of residence of the person giving the said notice, or, if a company, firm, or corporation, the name and residence of each member thereof, or stockholder therein, the name and residence of every person interested, or to be interested in the business; the place where said business is to be carried on; the kinds of stills and cubic contents of each; the mode of boiling; number and kind of boilers; number of mash tubs and fermenting tubs, and cubic contents of each in gallons; mode of mashing and fermenting; the number of hours the distiller will ferment each tub of beer; when the fermenting period begins; the number of gallons of mash or beer which will represent a bushel of grain; kind of materials to be used; the estimated number of bushels of grain or gallons of molasses that can be mashed or fermented in a day of twenty-four hours, and the esti-

mated number of proof gallons of spirits that can be produced in the same time; the number of receiving cisterns and cubic contents of each in gallons; a particular description of the lot or tract of land on which the distillery and warehouse are situated; the size and description of all buildings on the premises, and of what materials constructed; that the warehouse is on and constitutes a part of the distillery premises, and that no door, window, or other opening therefrom leads into the distillery or other building; the present condition of title; and that the said distillery premises are not within 600 feet in a direct line of any premises authorized to be used for rectifying or refining distilled spirits.

Under the heading "Statement of present condition of title," it must be shown—

1st. That the title to the distillery and premises is vested in the person engaging in the business of distilling, in fee, unincumbered by any mortgage, judgment, or other lien.

Or, 2d. That the title is vested in the distiller in fee, but incumbered with a mortgage, judgment, or other lien, as the case may be, and that the written consent of such mortgagee, judgment creditor, or other lienholder has been obtained, as required by section 3262, Revised Statutes.

Or, 3d. That the title is vested in some person other than the distiller (naming such person), and that the consent of the owner, as well as the consent of any other person who may be interested in the premises has been obtained.

Or, 4th. That the owner of the distillery or distilling apparatus erected prior to the 20th day of July, 1868, has only an estate for a term of years, or other estate less than fee simple, in the lot or tract of land on which the distillery is situated, the evidence of title to which was duly recorded prior to July 20, 1868, and that a leaseholder's bond has been given in compliance with the provisions of section 3262, Revised Statutes.

Or, 5th. That the owner of the distillery or distilling apparatus, erected prior to July 20, 1868, has only an estate for a term of years, or other estate less than fee simple, in the lot or tract of land on which the distillery is situated, the evidence of title to which was duly executed prior to July 20, 1868, but was not required by the laws of the State to be recorded at the time of its execution; and that a leaseholder's bond has been given in lieu of consent, as required by section 3262 aforesaid.

Or, 6th. In case of such prior erection, that the title is, and has been, in litigation since July 20, 1868, and that a bond has been given in lieu of consent, as required by section 3262 aforesaid.

Or, 7th. In case of such prior erection, that the owner is possessed of the fee of the premises, but incumbered with a mortgage, executed and

duly recorded prior to the 20th day of July, 1868, and not yet due, and that a bond has been given in lieu of consent, as required by section 3262 aforesaid.

Or, 8th. In case of such prior erection, that the title is vested in some person or persons (showing whom) incapable of giving consent, and that a bond has been given in lieu of such consent, as required by section 3262 aforesaid.

Or, 9th. In case of such prior erection, that there has been an increase of the distillery premises by the addition of land or buildings adjacent or contiguous thereto, not owned by the distiller in fee, and that a bond has been given in lieu of consent with respect to such addition. (See section 2, act of May 28, 1880.)

Or, 10th. That the distillery has been sold at a judicial or other sale, in favor of the United States, giving the date of such sale and stating that the time allowed by law for redemption has not expired, and that a bond in lieu of consent has been given, as required by the first proviso to section 3262 aforesaid.

Under the provisions of section 3262 no distiller's bond can be approved unless he is the owner in fee, unincumbered by any mortgage, judgment, or other lien, of the lot or tract of land on which the distillery is situated, or unless he files with the collector, *in connection with his notice*, the written consent of the owner of the fee, and of any mortgagee, judgment creditor, or other person having a lien thereon, that the premises may be used for the purpose of distilling spirits subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority of such mortgage, judgment, or other incumbrance, and that in case of the forfeiture of the distillery premises, or any part thereof, the title of the same shall vest in the United States, discharged from such mortgage, judgment, or other incumbrance. This instrument must be duly acknowledged and executed with all of the formalities required in conveyances of real estate, and, in case of consent of the owner of the fee, the wife must join in the execution and due acknowledgment thereof, so as to release her claim to dower. The consent should then be duly recorded before the same is filed with the collector.

In every case where the written consent of the owner of the premises or of holders of liens has been given in lieu of an unincumbered fee simple, that fact should not only appear in the statement of title, but a copy of such consent should be forwarded to the Commissioner of Internal Revenue, accompanying the distiller's notice, that it may be determined whether the requirements of section 3262, Revised Statutes,

have been fully complied with. In all such cases a new consent will be required for each year, beginning on the 1st day of May, excepting only when the consent has been given for a fixed time exceeding one year; and in these cases the collector should be careful to have a copy of such consent taken each year, to accompany and to be made a part of the distiller's notice then sent.

When the condition of the title is such that a bond may be accepted in lieu of the written consent, it must be shown that the distillery was erected prior to July 20, 1868, and that such bond has been filed with the collector.

As the question of title to the real estate is material, the collector should require of the distiller a properly certified statement or abstract of the title to such estate to be exhibited to and filed with him, and full evidence as to what, if any, liens or incumbrances exist thereon.

Errors most frequently occur in the description of the distillery premises, either in being too indefinite or in embracing a large tract of land most of which evidently constitutes no part of the distillery premises.

The description should be limited to the lot or parcel of land actually used in connection with the distillery, and for that purpose alone, and should be as particular as is required in a deed of conveyance, and, when the description is by metes and bounds, the point of beginning should be located with perfect accuracy, preferably with respect to its distance and bearings from some near and well-known landmark on the distillery premises.

The importance of so accurately describing the premises will be seen when it is remembered that, under certain circumstances, the Government acquires important liens thereon; that the distiller is prohibited from carrying on any other business on his distillery premises; that revenue officers have certain rights to enter and inspect distillery premises; and that in certain cases the distillery premises are forfeited to the United States. The extent of the premises, therefore, should be definite and certain, and the description in Form 27*a* is that which must be referred to to determine their extent.

The distiller, in stating the number of hours in which the distillery will ferment each tub of mash or beer, should name that number of hours within which he is allowed by law to fill a fermenting tub once and no more, namely: Seventy-two hours for a sweet-mash distillery, ninety-six hours for a sour-mash distillery, and one hundred and forty-four hours for a rum distillery.

He will also state the beginning of the fermenting period to be when the filling of the tub begins or when the tub is actually full, as the case may be.

Every blank in the prescribed form must be properly filled, and in case of any change in the location, form, capacity, agency, ownership, superintendency, persons interested in the business of such distillery, the fermenting period, the number of gallons of mash or beer which will represent a bushel of grain, or in the time when the fermenting period begins, notice thereof must be given in writing to the collector of the district or to the deputy collector of the division within twenty-four hours after such change. Any deputy collector receiving such notice shall immediately transmit it to the collector, and the collector will immediately forward a copy of such notice to the Commissioner of Internal Revenue.

ALL NOTICES on Form 27*a* will be examined at this office, and no DISTILLERY WAREHOUSE will be established or STOREKEEPER assigned thereto until such notice is approved.

CHANGE OF OWNERSHIP.

Where the title to the estate upon which an authorized distillery is located is changed by a sale, judicial or otherwise, or there is any change of ownership in the premises or distilling apparatus, or where the lot or tract of land on which the distillery stands, or any part thereof, or any of the distilling apparatus, subsequent to the approval of the bond, becomes subject to or incumbered by any mortgage, judgment, or other lien, a new notice on Form 27*a*, with the necessary consents, is required; and in the case of such an incumbrance a new bond may also be required at the discretion of the collector or of the Commissioner of Internal Revenue. Where there is any change in the persons shown by the last notice to be interested in the business, except stockholders in distilling corporations, it is no longer an authorized distillery, and the same steps must be taken as in case of a new distillery, except that the distiller may adopt or assent in writing to the correctness of the plan and survey on file.

CHANGE OF NAME.

Where a distiller desires to operate his distillery under another name than that in which he has qualified and operated, he must first file new papers throughout, including a new bond, and have a new warehouse approved and a storekeeper assigned, the same in all respects as is provided in case of an actual change in the persons interested in the business. The first package of spirits deposited under the new name must be numbered one in a new series.

CONSTRUCTION OF DISTILLERIES.

The door of the furnace of every still or boiler used in any distillery (section 3269) must be so constructed that it may be securely fastened and locked. The furnace must be so constructed and the door so affixed that when the Government lock is applied it shall effectually prevent the door from being opened and shall prevent the lighting of any fire in such furnace or under such still or boiler.

When steam is conveyed to the distillery from adjoining premises the pipe used for that purpose must be provided with a valve inside the distillery wall so arranged that it can be securely locked.

The fermenting tubs must be so placed as to be easily accessible to any revenue officer, and must each have painted thereon in oil colors its cubic contents in gallons, with the number of the tub, in figures not less than 3 inches in length and 2½ inches in breadth, which should correspond with that given in the notice and on the plan. There must be a clear space of not less than 1 foot around every wood still and not less than 2 feet around every doubler and worm tank. All high and low wine tubs and all vessels used as receptacles for spirits between the outlet of the worm and the receiving cisterns must be so constructed as to admit of examination of every part thereof. The doubler and worm tanks must be elevated not less than 1 foot from the floor. Every fixed pipe, except those used only for the conveyance of water or of spent mash or beer, must be so fixed and placed as to be capable of being examined for its whole length and must be painted and kept painted, as follows: Pipes for the conveyance of mash or beer, of a red color; for the conveyance of low wines back into still or doubler, blue; for the conveyance of spirits, black; for the conveyance of water, white; and they must be designated by those colors on the plan.

The pipes, vessels, or other apparatus by which the outlet of the stills, boilers, or other vessels is connected with the cisterns in the cistern room must be so constructed as to be always exposed to the view of the officer, and so as to prevent the abstraction of spirits while passing from the outlet of the worm or condenser back to the still or doubler or forward to the receiving cistern.

All necessary openings in the pipes or vessels between the still and receiving cisterns must be secured and locked, the key at all times to be in the possession of the storekeeper.

REDISTILLING OR RECTIFYING ROOM.

The room or building in which are carried on the processes of rectifying, purifying, or refining distilled spirits in the course of original

and continuous distillation authorized by section 3244, Revised Statutes, must be securely constructed in such manner as to render entrance impossible in the absence of the storekeeper without detection.

The doors and windows must be so constructed that they may be securely locked and fastened. All the pipes, vessels, and other apparatus used in purifying or refining spirits must be so attached that the spirits will pass through the purifying process in their passage from the beer still to the receiving cisterns, and their passage must be through continuous and securely closed pipes and vessels, so as to preclude the distiller from access to the spirits except in the presence of the storekeeper, and then only when access is indispensable to the direction of the further process of manufacture. All necessary openings must be under a prescribed lock, the key to be kept by the storekeeper.

In this room must be erected cisterns of sufficient capacity to hold all the high wines produced each day, and into which such high wines must be run before undergoing any of the further processes of manufacture. These cisterns must be provided with gauges or other means for readily and accurately ascertaining the quantity of spirits contained therein at any time.

CISTERN ROOM.

Section 3267, Revised Statutes, requires that the owner, agent, or superintendent of any distillery shall erect in a room or building, to be provided and used for that purpose and for no other, and to be constructed in the manner to be prescribed by the Commissioner of Internal Revenue, two or more receiving cisterns, *each* to be at least of sufficient capacity to hold all the spirits distilled during a day of twenty-four hours.

These receiving cisterns must be placed in a room or building made perfectly secure, said room or building to be so constructed as to render it impossible for any person to enter in the absence of the gauger without detection. The ceiling and walls inside of such room or building must be plastered or cased with matched boards, and, if constructed of wood, the walls must also be clapboarded on the outside or sided up in the manner usually employed for weatherboarding. The floor must be of brick or stone laid in cement, or of concrete or cement, or of ordinary flooring plank, the same to be tongued and grooved, or laid double, the boards crossing each other at right angles, and in either case to be securely nailed or fastened. To each window must be affixed solid shutters of wood or iron, so constructed that they may be securely barred and fastened on the inside. The door must be thick and substantial and so constructed that it may be securely locked and fastened. The

hinges on the window shutters and door must be so affixed as to prevent their removal from the outside. The staple to which the Government lock is applied must be well secured, so that it can not be drawn or removed.

Where a distiller draws off his spirits but once in three days he must have three cisterns. He can not, in any case, have less than *two*. The product of each day's distillation shall be kept separate, and where one kind of spirits only is produced it must all be run into one receiving cistern; where two or more kinds of spirits are produced, such as alcohol and high wines, two or more cisterns may be used; but in no case can the product of one day's distillation be mixed with the product of another or second day. If the distiller has not provided at least two separate cisterns, each of a capacity sufficient to hold a full day's product when running at the full capacity of the distillery, the collector has no right to approve his bond.

These cisterns must not be connected with each other, and must be so constructed as to leave an open space of at least 3 feet between the top and the roof or floor above, and a space of not less than 18 inches between the bottom and the floor below, and they must be separated so that the officer may pass around them.

The top of each cistern must be securely covered, and no opening will be allowed in the top, except one of sufficient size to allow the distiller to properly plunge or mix the spirits with the water introduced for reducing the spirits to the proof desired.

Said opening must be so covered that it may be locked, and the gauger will lock the same on leaving the cistern room and retain the key. The faucet, through which the spirits are drawn from the receiving cisterns, must also be locked and the key kept by the gauger. Collectors are hereby directed to cause these instructions to be at once complied with in each distillery in their district.

The stopcocks that control the flow of the spirits to the receiving cisterns must be so arranged that the spirits may be run into either of the cisterns; and said stopcocks, if in the receiving room, must be controlled by rods, the handles of which must extend into the distillery and be under lock and key; if such stopcocks are outside of the receiving room they must be boxed and securely locked; and in either case the storekeeper will keep the key. The storekeeper, and he alone, is authorized to change the flow of the spirits from one cistern to another.

CUSTODY OF CISTERN ROOM.

Gaugers are made the custodians of the receiving rooms at distilleries, and are held responsible for the safekeeping of the spirits run into the

receiving cisterns until drawn off by them and delivered in proper manner into the custody of the storekeeper at the distillery bonded warehouse, so far as any loss may be reasonably guarded against, and under no circumstances will they intrust the key to the lock on the door of the receiving room to any person other than the collector of the district; and they are enjoined not to admit any person in the receiving room except in their presence.

MEAL ROOM.

The distillery must be so constructed as to render it impossible for more grain to be added to the mash without the knowledge of the storekeeper after the proper quantity of each kind of grain has been weighed out by him. It is therefore prescribed that in all grain distilleries the meal room shall be locked and otherwise secured by proper fastenings, and the meal hoppers, through which the meal is conveyed to the mash tub, shall be securely covered and locked, the storekeeper to have possession of the keys. In cases where it is impracticable to have meal hoppers, a room may be constructed in the story above the mash tub, to be securely locked and fastened, the storekeeper to have possession of the key. In case of a distillery only one story in height, a room may be constructed in the distillery building, in which all the grain brought on the distillery premises shall be stored under the lock and key of the storekeeper. No one shall have access to the meal room except in the presence of the storekeeper.

Before allowing any distiller to commence operations the collector should thoroughly examine the distillery proposed to be operated, and determine whether it is constructed in strict accordance with section 3269, Revised Statutes; that the clear spaces required by said section are fully observed; that the pipes are properly painted, and that the connections between the still and the receiving cisterns are close; and that there are no openings in the apparatus from the time the vapor rises in the stills until it is deposited in the receiving cisterns, except such openings as may be found necessary for the conduct of the business, which openings must in all cases be securely locked, and the key placed in charge of the storekeeper.

EXEMPTION OF SMALL DISTILLERIES FROM CERTAIN REQUIREMENTS OF LAW.

Under the authority given by section 5 of the act of March 1, 1879, distillers whose distilleries have a daily spirit-producing capacity of 30 gallons of proof spirits or less, as estimated and determined by

a survey made according to law, are hereby exempted from certain provisions of sections 3263, 3267, and 3269 of the U. S. Revised Statutes, as follows:

(1) From so much of the provisions of section 3263 as requires a plan of the distillery to be had or furnished by the distiller.

(2) From so much of the provisions of sections 3267 and 3269 as requires that the open or clear spaces above, below, or around the receiving cistern, wood still, doubler, and worm tanks shall be of any greater extent or dimensions than is necessary to afford a clear, distinct, and uninterrupted view around, above, and beneath each of said vessels or utensils.

It will be observed, however, that such distillers are relieved from no other requirements of the law save those specifically set forth above, and that in all other respects they are bound by existing law and regulations concerning the construction of distilleries and the duties and obligations of distillers.

SIGNS, FENCES, AND GATES.

Every person engaged in distilling or rectifying spirits, and every wholesale liquor dealer, is required (section 3279, Revised Statutes) to place and keep conspicuously on the outside of his distillery, rectifying establishment, or place of business, a sign exhibiting in plain and legible letters not less than 3 inches in length, painted in oil colors or gilded, and of a proper and proportionate width, the name or firm of the distiller, rectifier, or wholesale dealer, with the words, "Registered distillery," "Rectifier of spirits," or "wholesale liquor dealer," as the case may be. A penalty of $500 attaches to the person who fails to display such sign in a conspicuous place on the outside of his distillery, rectifying house, or wholesale liquor dealer's establishment.

Under section 3275, Revised Statutes, no fence or wall of a height greater than 5 feet can be allowed around the premises of any distillery so as to prevent easy and immediate access thereto. The same section requires that every distiller shall furnish to the collector of the district as many keys to the doors and gates of the distillery as may be required by the collector from time to time; and the distillery must always be kept accessible to any officer or other person having such key.

PLAN OF DISTILLERY.

Previous to the approval of his bond every person intending to engage in the business of a distiller must, under the direction of the collector, cause to be made at his own expense an accurate plan and description in triplicate of the distillery and distillery apparatus, as provided in

section 3263, Revised Statutes. Such plan must be on good paper or tracing linen, 15 by 20 inches in size, outside measure, with a margin of at least 1 inch clear space on each side of the drawings, lettering, and writing, so that such drawings, lettering, and writing shall not exceed 13 by 18 inches in size. The plans must be drawn to scale, and the scale must be indicated on each drawing. Where the distillery or apparatus occupies more than one floor or story, each floor or story must be shown by a floor plan on a separate sheet, and, if the apparatus be complicated, by one or more elevation or vertical sectional drawings to show the connections and clear spaces. The collector, under whose direction the plan is to be made and who is to certify as to its correctness, must test the accuracy of every plan made. He must see that competent draftsmen are employed to make it. He will also see that the name of the distiller, the number of the distillery, and the designation of the drawing as a plan, supplemental plan, a plat, or the story represented, are indicated at the top of the sheet within the margin in very plain and legible characters.

The plans must show the exact location of each still, boiler, doubler, worm tub, and receiving cistern; the course and construction of all fixed pipes, and of every branch and every cock or joint thereof, and of every valve therein, together with every place, vessel, tub, or utensil from and to which any such pipe leads or with which it communicates; also the number and location and cubic contents of every still, mash tub, and fermenting tub; the cubic contents of every receiving cistern, and each fixed pipe; and the purpose for which such pipe is used must be indicated thereon by its color. Pipes for the conveyance of mash or beer should be painted a red color; for the conveyance of low wines back into still or doubler, blue; for the conveyance of spirits, black; for the conveyance of water, white.

The description above referred to should, where the space on the sheet will admit of it, be written upon the particular sheet to which it relates, and references to utensils and apparatus should be either by letters or figures.

The accuracy of every plan and description must be verified by the collector, the draftsman, and the distiller, and this certificate must be dated, and should be substantially in the following form:

DISTRICT OF ———, 18 .

We hereby certify that this is an accurate plan (plat or supplemental plan, as the case may be) of the distillery (or distillery premises, of ——— ———, No. ———, of this district.

——— ———, *Collector.*
——— ———, *Draftsman.*
——— ———, *Distiller.*

Plats of distillery premises must be drawn so as to agree exactly in the outer boundary lines with the description of the same contained in the notice on Form 27*a*, and show in outline thereon the buildings and their respective locations, and the cardinal points of the compass must also be indicated thereon.

After such plan is made, no alteration can be made in such distillery or distilling apparatus without the written consent of the collector, and such alteration must be shown by a supplemental plan and description, which should also be made in triplicate like the original. One of said plans is to be kept displayed in some conspicuous place in the distillery, one kept by the collector, and one transmitted by him to the Commissioner of Internal Revenue, *rolled and not folded;* and any supplemental plan will be disposed of in the same manner.

In case a distiller wishes to commence business in a distillery a plan and description of which is already on file in this office, no new plan or description need be made, unless changes have been made in the apparatus. If no changes have been made, the person intending to commence business may accept the plan and description on file. Such acceptance, embracing a certificate that no change has been made, must be made in triplicate, in writing, and one copy attached to each plan.

Distillers whose distilleries have a daily spirit-producing capacity of 30 gallons of proof spirits or less are not required to furnish a plan. (See "Exemption of small distilleries from certain requirements of law," p. 14.)

SURVEY OF DISTILLERIES.

Section 3264, Revised Statutes, as amended by the act of March 1, 1879, provides that "on receipt of notice that any person, firm, or corporation wishes to commence the business of distilling, the collector, or a deputy collector to be designated by him, shall proceed in person, at the expense of the United States, with the aid of an assistant designated by the Commissioner of Internal Revenue for the purpose of making surveys of distilleries in that district, to make a survey of such distillery for the purpose of estimating and determining its true spirit-producing capacity for a day of twenty-four hours."

The statute requires the personal attendance of the collector, or a deputy collector to be designated by him, as well as that of a designated assistant, for the purpose of making a survey.

But when the capacity of the distillery as stated by the distiller on Form 27*a* or 27½ does not exceed 150 proof gallons of spirits every twenty-four hours, the survey may be made by the collector or a deputy without the aid of an assistant.

Surveys may be made without revisiting the distillery, when made for the purpose of correcting clerical errors or errors of computation existing in the report of a previous survey, or when the purpose of the resurvey does not require the remeasurement of the distillery utensils; as, for example, when a resurvey is occasioned by a change in the strength of the mash or beer which the distiller proposes to use.

If a deputy collector is designated for the purpose of making survey the designation must be in writing.

Collectors will report to this office the name of each deputy designated for this purpose, with the date of designation; and will also promptly report the revocation of such a designation and its date.

In making the survey the officers will assume that the distiller will put his machinery and apparatus in good working order, use good material, and employ competent and skillful workmen, and so manage his business as to produce the most favorable results; and the question to be determined is what, under such circumstances, is the number of bushels of grain or gallons of molasses which can be mashed and fermented in twenty-four hours, and the quantity of spirits that can be produced in the same time.

The *true spirit-producing capacity* of a distillery is not limited to what the distiller may produce by following a particular course which he has marked out, but what may be produced under favorable circumstances. The distiller, for instance, may say that he will mash a certain number of bushels, and but once a day, and will use a portion only of his fermenting tubs; but what he could produce by that process is not the true spirit-producing capacity of his distillery, because he could mash double the proposed number of bushels, and three or four times instead of once per day, and can ferment twice or three times as much as he states, and of course increase his product in proportion. The true spirit-producing capacity of such a distillery is not the amount which is so proposed to be produced, but the amount which *can* be produced, using all the machinery and apparatus, under competent and skillful management, taking as a basis for the calculation such premises as will produce the best practical results.

In order to estimate and determine the true spirit-producing capacity of a distillery it is necessary to ascertain the capacity of the mash and fermenting tubs. This should be done by actual and careful measurement, and the report must show, in inches and fourths of an inch, the greatest diameter, least diameter, and depth of each round or oval tub; the length, breadth, and depth of each square tub; the number of dry inches allowed for working or fermenting; the working capac-

ity of each tub; the fermenting tubs in gallons; the mash tubs in bushels—estimating not less than 1 bushel to 25 gallons of mash. The mashing capacity may, however, be limited by the fermenting capacity, as the distiller would not, it is supposed, mash more than he could ferment; and where there is an excess of mashing capacity the fact should be noted, as the mash tubs may be used for fermenters, or there may be facilities for fermenting which do not appear upon the plan.

To determine the capacity of fermenting tubs the following rules will be observed as sufficiently accurate for all practical purposes though not mathematically correct. Having found the top and bottom diameters in inches, add them together and divide by 2. This will give the mean diameter of round tubs sufficiently near for all practical purposes. Multiply the square of the mean diameter by the decimal .0034, which will give the number of gallons and fractions of a gallon in four decimal places for 1 inch of depth. Multiply the result so found by the depth (in inches) less the number of dry inches allowed for fermentation, as hereinafter prescribed, and the result will be the working capacity of the tub in gallons. For square tubs multiply the length and breadth (in inches) together and divide by 231, and it will give the number of gallons for 1 inch of depth.

For oval tubs multiply the greatest and least diameters of the top of the tub (in inches) together and that product by .0034, and the result will be the number of gallons for 1 inch of depth at the top of the tub. The same process with the greatest and least diameters of the bottom will give the number of gallons for 1 inch at the bottom. Add together the results so obtained and divide by 2, and it will give the mean capacity for 1 inch of depth. For barrel-shaped tubs the rule in Gauger's Manual, p. 28, for finding the capacity of a cask is applicable. Having found the capacity in gallons for 1 inch of depth, the working capacities are obtained as in the first case, and may be stated in the report of survey, dropping all fractions under three-tenths of a gallon, calling three-tenths, or any intermediate fraction to seven-tenths, one-half, and seven-tenths or upward an entire gallon. Having found the aggregate working capacity of all the fermenters in gallons, the capacity of the distillery in bushels will be found by dividing the working capacity in gallons by the number of gallons of beer required by law to represent a bushel of grain, which is not more than 45, except in distilleries operating on the sour-mash principle, in which case not more than 60 gallons may be used as a divisor. In case the distiller wishes to use a thicker mash the divisor will be proportionately less. Having found the aggregate working capacity of all the

fermenters in bushels, the next step is to determine the number of bushels of grain that can be mashed and fermented in a day of twenty-four hours; this, in a sweet-mash distillery, will be taken to be one-third and in a sour-mash distillery one-fourth of the aggregate working capacity.

The law has fixed limits within which but one fermentation can take place, to wit: Seventy-two hours for sweet-mash distilleries, ninety-six hours for sour-mash distilleries, and one hundred and forty-four hours for rum distilleries. The capacity of all distilleries will be based upon these periods respectively.

The number of dry inches to be allowed for fermentation is a subject for the discretion of the collector and his assistant; but as a large amount of information on this point has been received at this office, based upon examination and experience, it has been deemed advisable to fix a maximum for such allowance. In estimating the number of dry inches to be allowed the collector and his assistant will be governed by the depths of the tubs; but it is believed that for tubs 5 feet or less in depth 3 inches is a fair allowance where corn is used in excess of all other grains; 5 inches where corn and rye or other small grains are used in equal proportions; 7 inches where rye is used in excess of all other grains, and 10 inches where rye is used exclusively. To this allowance one-half inch may be added for each foot in depth in excess of 5 feet, except where rye is used exclusively, in which instance 1 inch may be added for each foot in excess of 5.

Having thus found the number of bushels which can be mashed and fermented in twenty-four hours, the next point to be determined is what quantity of spirits can, under all the circumstances, be produced from a bushel of grain—that is, what quantity of spirits can a practical distiller, with good management, produce from a bushel of good grain; and while no fixed rule can be laid down on the subject, it may be suggested that in ordinary distilleries this varies from 3 to 4 gallons and upward, and in the best class of distilleries runs considerably over 4 gallons, averaging over 3½ to the bushel in ordinary distilleries, about 4½ gallons in the largest and best-equipped distilleries, and nearly 4¼ gallons to the total bushels distilled in the country.

It may be safely assumed that it would require a strong case to justify an estimate of less than from 3½ to 4½ gallons, according to the kind of distillery under survey, and in such case the reasons for such an allowance must be fully reported to the Commissioner; and in all cases where the estimate is below the average an explanation will be required. Having determined this product, multiply the number of bushels that

can be fermented in twenty-four hours by it, and the result will be the quantity of spirits that can be produced in twenty-four hours.

Sour-mash distilleries may be briefly described as those in which no fermenting agents other than spent beer or slop, and barm from a tub previously set and fermented, are used. The meal is mixed with the slop directly from the still and allowed to remain twenty-four hours, at the end of which period the mash becomes hard and sour. It is then broken up and reduced with water, and the barm added, and allowed to undergo a natural fermentation. When the process of yeasting back is used as above described the fermentation is not so rapid or complete as in sweet-mash distilleries, where yeast is used.

A fermenting period of ninety-six hours (and not more than 60 gallons of beer to represent a bushel of grain) will be allowed in all sour-mash distilleries, without reference to the manner of heating, stirring, or distillation.

In the case of distilleries in which the mashing and fermenting are done in the same tubs the twenty-four hours used for mashing will be included in the ninety-six hours allowed by the statute for fermentation, and all the tubs in the distillery will be treated as fermenters, and be embraced in the estimate of the capacity. Where the distiller prefers, he may set aside certain of his tubs to be used exclusively for mashing, marking them each distinctly "mash tub," and in such cases the capacity will be estimated upon the tubs used for fermenters.

The capacity of a molasses distillery is estimated upon the same principle. Having found the working fermenting capacity of the fermenters in gallons, as above stated, divide this by the number of gallons of mash which the distiller makes from a gallon of molasses, not exceeding 7 gallons of mash for a gallon of molasses, and it will give the number of gallons of molasses required to fill the fermenters, and divide the amount thus found by 6, the number of days allowed for fermentation, and it will give the quantity which can be fermented in twenty-four hours. In a molasses distillery the allowance of dry inches should be the same as in a grain distillery where corn is used in excess of all other grain.

The period allowed for fermentation in determining the spirit-producing capacity of a distillery where New England rum is produced from molasses is one hundred and forty-four hours, and is computed from the time the mash is set; that is, including the day when molasses is first placed in the fermenter, although the tub may not be filled until a subsequent day.

The quantity of spirits which can be produced from a gallon of molasses varies, of course, with the completeness of the apparatus and the

quality of the material, from 80 to 95 per cent—from 85 to 90 per cent probably being a fair average; and in no case should a less allowance than this average be made without first submitting a full report of the reasons therefor to the Commissioner.

REPORT OF SURVEY.

Reports of surveys will be made upon Form 123 in the case of a grain or molasses distiller, and upon Form 99 in the case of a fruit-distiller, in triplicate, one copy to be delivered to the distiller, one forwarded to the Commissioner of Internal Revenue, and the other retained by the collector. Assessments are made upon the basis of each survey, from and including the date of delivery to the distiller. It is of the utmost importance, therefore, that the report forwarded to the Commissioner of Internal Revenue should bear a certificate showing the exact date when such report of survey was delivered to the distiller, and the collector must be able to verify the fact of such delivery, and the particular day thereof.

The report of the survey of grain distilleries should embrace the estimated producing capacity for all the kinds of grain commonly used for the production of spirits, and should include an estimated capacity for both sweet mash and sour mash. The working capacity of each of the fermenting tubs, whether open or closed, must be estimated and reported in the survey.

In case any question arises as to the correctness of the survey, the collector will forward a draft of his report to the Commissioner before it is signed, in order that such questions may be determined.

The importance of these reports will be seen when it is remembered that they are the basis of assessments, and they should, therefore, be in strict conformity with the requirements of the law. The reports must be signed by the collector or deputy collector, as the case may be, and his designated assistant where one was employed.

It will be observed that section 3264, Revised Statutes, provides that if the Commissioner of Internal Revenue shall at any time be satisfied that the report of the capacity of any distillery is in any respect incorrect, or needs revision, he shall direct the collector to make in like manner another survey of said distillery. There are cases, however, where, in order to prevent delay in the business of the distiller, it will be necessary for a new survey to be made without waiting for the order of the Commissioner. Those cases are, where a new distillery is about to start, where new tubs are put up in an old distillery, where tubs are cut down, or

where a distiller gives notice that he wishes to use a thicker or thinner beer than that upon which his last survey was based, provided the strength of beer desired to be used is within the minimum prescribed in section 3264, Revised Statutes, viz, 45 gallons for sweet mash and 60 gallons for sour mash, as representing not less than 1 bushel of grain.

It is important that the distinction between an amended report of survey and a report of resurvey should be clearly understood. The former is made for the purpose of correcting clerical errors occurring in a single copy of the report, and takes the same date, and date of delivery, as the report corrected. The latter is a report of another survey of the distillery, and must bear the actual dates of making and delivery.

DISTILLERS' BONDS.

Every distiller, on filing his notice with the collector, must, before continuing or commencing business, and on the 1st day of May in each succeeding year, make and execute a bond in the form prescribed by the Commissioner of Internal Revenue, with at least two sureties. The form prescribed by the Commissioner is Form 30 in case of a grain or molasses distiller, and Form 30½ in case of a distiller of brandy from apples, peaches, or grapes exclusively. The bond shall be for a penal sum not less than the amount of tax on the spirits that can be distilled in the distillery during a period of fifteen days with all the fermenters and apparatus in use, but in no case shall the bond exceed the sum of $100.000.

The bond will be executed in accordance with the instructions printed thereon.

Collectors will, in addition to a careful and searching examination of the sufficiency of all sureties offered, require the sureties to justify on Form 33 in such amounts as are safe, prudent, and adequate to save the Government harmless from loss, which amount should not be less than the penal sum of the bond.

When a bond is found to be properly filled up, and the sureties ample, the collector will approve the same, provided all the requirements of the law have been complied with, and will forward a copy of such bond, together with copies of the affidavits of sureties on Form 33. to the Commissioner of Internal Revenue, and file the originals in his office.

Where the distiller is not the owner in fee of the distillery premises, collectors must require a strict compliance with the provisions of section 3262, Revised Statutes, before approving his bond.

No collector will (section 3261, Revised Statutes) approve the bond of any distiller until all the requirements of law and the regulations in relation to distillers have been complied with.

No distiller's bond should be approved until his distillery warehouse has been approved and established under section 3271, Revised Statutes, and a storekeeper assigned thereto by the Commissioner of Internal Revenue.

Where bonds are not approved until after the 1st day of May, or where presented for approval on the 1st day of May, by those commencing business, the approval should not be made until the collector is advised by this office that the Form 27*a*, report of survey, plan, and warehouse are approved and storekeeper assigned; but in the case of those offering bond for approval on the 1st day of May, with the view of continuing business, the approval may be made without awaiting advices from this office.

It being the duty, under the law, of collectors to approve the bonds of distillers, it is their duty to satisfy themselves that all such bonds are properly filled out and executed, and that the sureties are sufficient, before approving any distiller's bond. The Commissioner of Internal Revenue will give no instructions to nor interfere with collectors in the performance of such duties except in case of appeal, but will hold such officers strictly responsible for their action in each and every case.

LEASEHOLDER'S BOND.

Where the distiller's estate is for a term of years only, under a lease or other evidence of title *recorded before July* 20, 1868, *the distillery or distilling apparatus having also been erected prior to that date;* or in like case, where the lease or other evidence of title was not required by the laws of the State to be recorded in order to render it valid; or where the title was on July 20, 1868, and has continued to be, in litigation; or where there was a mortgage duly recorded prior to that date which is not due; or where the fee is held by a *femme covert*, minor, person of unsound mind, or other person incapable of giving consent as required in section 3262, *the distillery or distilling apparatus having also been erected prior to that date;* the distiller may, in lieu of the consent and stipulation aforesaid, give an additional bond on Form No. 3, with not less than two sureties, residents of the district or county or an adjoining county in the same State, and owners of unincumbered real estate in said district or county equal to the penal sum of the bond.

In such case the collector will cause the value of the lot or tract of land, together with the buildings and distilling apparatus, to be ap-

praised by two or more competent persons, to be designated by him, and the said appraisal may be increased by the collector if in his judgment the same is too low, and the penal sum of said bond must be equal to such appraised value. This is in addition to the distiller's bond required by section 3260, Revised Statutes, and a substitute for the ownership in fee of the distillery premises; and if the same sureties should be offered upon both bonds, the collector will see that they are the owners of unincumbered real estate, as aforesaid, sufficient in value to cover their liability upon both bonds.

Any person desiring to avail himself of the provisions of section 3262 must make application to the Commissioner, showing, in case of a lease, that there was a valid subsisting and duly recorded lease, prior to July 20, 1868, under which he holds; and if not recorded, that the same was not required to be recorded by the laws of the State; if the title is in litigation, in what court the proceedings are pending, the parties thereto, and the nature of their claims, and that such litigation was pending July 20, 1868; if a mortgage, the date and amount of the same, when recorded, by whom held, and when the same is due; and in case of incapacity to consent, the nature of said incapacity. In all cases a full and clear statement of the title to the estate should be given, and such application should have indorsed thereon the certificate of the collector of the district that he has personally investigated the case, and finds that the statements made are correct.

Section 3262, Revised Statutes, as amended by the act of May 28, 1880, provides for the acceptance of a leaseholder's bond in case of the increase of distillery premises whereon a distillery had been erected prior to July 20, 1868, by the addition of land or buildings adjacent or contiguous thereto not owned by the distiller himself in fee.

The amount of bond is, however, dependent upon certain conditions:

If the distillery be one which the distiller owns himself in fee, or in respect to which he has procured the written consent of the owner in fee, or incumbrancer, the bond is to be only for the appraised value of the addition to the premises.

But if the distillery be one which the distiller is entitled to operate under a leaseholder's bond, then the bond is required to be given for the appraised value of the whole distillery as increased by such addition.

It is not essential for the acceptance of such bond in lieu of written consent, in either of these cases, that the owner or owners of the addition to the premises should be legally incapable of giving consent, but it is absolutely required that the distillery shall have been erected prior to July 20, 1868.

But none of these provisions apply to a case where the distillery and distilling apparatus were not erected prior to July 20, 1868. Sureties on such bonds must be required to justify on Form 33 in unincumbered real estate, in the same collection district or county or adjoining county in the same State in which the distillery is situated, equal in value to the penal sum of the bond.

Section 3262, Revised Statutes, provides "that, in case of any distillery sold at judicial or other sale in favor of the United States, a bond may be taken at the discretion of the Commissioner of Internal Revenue, in lieu of the written consent required by this section, and the person giving such bond may be allowed to operate such distillery during the existence of the right of redemption from such sale, on complying with all the other provisions of law."

DISTILLERY WAREHOUSES.

The law, section 3271, Revised Statutes, requires every distiller to provide, at his own expense, a warehouse suitable for the storage of distilled spirits, which must be situated on and constitute a part of his distillery premises. No dwelling house can be used for such purpose, and no door, window, or other opening can be made or permitted in the walls of such warehouse leading into the distillery or into any room or building. No spirits can be stored in such warehouse except those manufactured by the distiller providing it. A portion of the distillery may be used for this purpose, but in such case it must be separated from the portion used for distilling by a solid brick or plank partition; and collectors will, when such warehouse is applied for, make careful examination as to the sufficiency of the division wall. The entrance to such room must be from the street or yard. If such warehouse is a separate building, it must be upon the premises actually occupied for the distillery. It must be a portion of the distillery building or a separate building on the distillery premises.

Whenever any party or parties desire to commence the business of distilling they should make a written application to the collector of the district in which the distillery is situated for the approval of a distillery warehouse.

Applications for approval of warehouses must, in all cases, give the name or names of those who are to operate the distillery, and, if a company, the firm name of the company as well as the individual names, the number of the distillery, and the precise location of the distillery premises, the material of which the warehouse is constructed, the size of warehouse, in width, length, and height, and number of

rooms, describing particularly all the openings and connections. And such applications must be accompanied by a sketch or diagram accurately representing the warehouse, with all its connections, openings, and surroundings, and also showing all other warehouses on the premises, if any, with dimensions and date of approval of each.

The application may be made in the following form:

To ——— ———:

Collector of ——— *District of* ———:

SIR: The undersigned, ——— ———, doing business under the name or style of ——— ———, hereby make application for the approval of a distillery warehouse, which he ha provided as required by law, situated upon and constituting a part of ——— distillery premises at ———, in the county of ——— and State of ———. Said distillery warehouse is constructed of ———.

(Here describe accurately the building or room proposed, as to size, stating the height, width, and depth; when a whole building, the number of stories and height of each story, and when a room an exact description of the building in which it is situated, and its precise location therein, and in every case describe all the openings, connections, and surroundings, and the materials of which constructed.)

——— ———,

Distiller.

Upon the receipt of the application and diagram the collector will, by himself or one of his deputies, make a careful examination of the premises proposed, and if they are found to be in conformity with the requirements of law and regulations, and properly set forth in the application and diagram, will at once transmit the application and diagram to this office, with his approval indorsed thereon and a report of his examination, giving the estimated storage capacity of the warehouse, in barrels stored three tiers high on each floor, or according to the rack system if that be used, and the means provided for securing the safe custody of the spirits.

The collector's report and approval may be in the following form, viz:

I hereby certify that the premises described in the foregoing application for the approval of a distillery warehouse for the storage of distilled spirits to be produced by the applicant, ——— ———, at distillery No. —, in the ——— district of ———, have been duly examined by ——— ———, and found to be in every respect as set forth in said application and the diagram hereto attached; that the said premises

are in strict compliance with all the requirements of law and regulations; and I estimate the storage capacity thereof at ——— barrels. I therefore recommend the approval of said warehouse.

——— ———,

Collector of ——— *District of* ———.

At the time of transmitting the application and his report thereon to this office the collector should, in all cases, nominate some qualified storekeeper for assignment to the warehouse as soon as the same shall be approved.

Applications for the approval of distillery warehouses can not be granted until a certified copy of the distiller's notice to the collector, on Form 27*a*, and the plan and survey of the distillery have been received at this office and found to be correct.

Should distillers have occasion to extend their distillery premises by adding thereto adjoining land or erecting additional buildings thereon to be used in connection with their business of distilling or for the storage of their spirits in bond, a new notice on Form 27*a* must be given accordingly; and, if additions to distillery warehouses are desired, applications for the approval of the same must be made and forwarded to this office in the same manner and with the same formalities as in the case of original warehouses.

CHANGE OF OWNERSHIP.

In cases of changes of ownership or copartnership, where the former distillers or firm do not desire to immediately withdraw all the spirits stored in warehouse, the warehouse may be continued until the expiration of the warehouse bonds, as prescribed by the act of January 8, 1874, which act provides—

That when from death or from any other cause there shall be a change in the person, firm, or company engaged in the business of distilling at any distillery, and the person, firm, or company that by reason of such change ceases to carry on said business at such distillery has at the time of such change spirits in the distillery warehouse, it shall be lawful for the Commissioner of Internal Revenue, upon the written consent of the surviving principals and sureties interested, and under such rules and regulations and upon such other conditions as he may prescribe, to permit the succeeding person, firm, or company to use the distillery warehouse on the premises in the same manner as if it did not contain distilled spirits belonging to the original person, firm, or company after setting apart and separating, by a secure and unbroken partition, such portion of it as may be necessary for the storage and safekeeping of the spirits distilled by the original person, firm, or company, during the period allowed by law for the removal of distilled spirits from distillery warehouses, or until said spirits are removed

and the tax paid thereon within that time: *Provided*, That nothing herein contained shall impair or in any way affect the lien existing at the time of such change under section one of the internal-revenue act of July twenty, eighteen hundred and sixty-eight, as amended, or other liabilities under any internal-revenue law, but the existence of such lien shall be no ground for refusing to approve the bond of the succeeding person, firm, or company, anything in section eight of said act of July twenty, eighteen hundred and sixty-eight, as amended, to the contrary notwithstanding.

In accordance with the provisions of the above act, whenever, from death or other cause, a change occurs in a firm operating a distillery, the successor may commence business in the same distillery, using a portion of the existing warehouse without the withdrawal of the spirits distilled by and belonging to the old firm, after having separated by a solid, secure, and unbroken partition that portion containing the spirits belonging to said old firm. That portion designed to be used by the successor may be established as a distillery warehouse, and a storekeeper assigned by the Commissioner of Internal Revenue, upon notice being given by the successor, on Form 27*a*, and compliance with all other requirements of law and regulations.

In his notice on Form 27*a* the successor will distinctly describe the warehouse, taking care to except that portion used for the storage of the spirits belonging to the old firm. He must also *state* that the portion to be used by him is separated from that used by the old firm by a solid, secure, and unbroken partition.

The new distiller will also be required to file with the application for approval of his warehouse the written consent of all the principals and sureties on the distiller's and warehousing bonds of the old firm, therein stating that the portion to be used by the new distiller may be approved in the name of said new distiller; and said written consent must expressly stipulate that such approval shall in no manner affect the liability of the principals and sureties on the existing distiller's and warehousing bonds of the old firm.

If, after the spirits of the former owner or firm have all been withdrawn from warehouse, the new owner or firm should desire to use the warehouse which had been excepted in the first notice on Form 27*a*, a new notice on said form must be given, embracing said warehouse in the distillery premises, and then, upon the receipt of the required application and report, as hereinbefore provided, the same may be approved for the new proprietor.

In all cases of change of ownership or copartnership a new notice on Form 27*a*, application for approval of warehouse, report and nomination of storekeeper will be required, and in all such cases collectors

should not approve the bond of the new distiller or new firm until notified from this office that the new warehouse has been approved as required in the case of new distilleries. (See "Change of name," p. 10.)

Distillery warehouses will be continued as such until all the spirits stored therein are withdrawn as required by law and the conditions of the warehousing bonds, notwithstanding the distiller's bond may not have been renewed, provided the necessary legal conditions of its establishment do not fail.

CONTROL OF WAREHOUSE.

Section 3271, Revised Statutes, provides that the distillery warehouse shall be under the direction and control of the collector of the district and in charge of an internal-revenue storekeeper, and section 3274, Revised Statutes, places such warehouse in the joint custody of the storekeeper and the proprietors thereof. The distiller shall on demand at reasonable times have admittance, in the presence of the storekeeper, to the warehouse and the spirits deposited therein, and may, in connection with the storekeeper, refuse admittance to any person not a revenue officer. The only lock to the warehouse door must be the Government lock, the key of which must at all times be in charge of the storekeeper.

Distillers may have access to the spirits in bond at any time, in the presence of the storekeeper, for the purpose of repairing cooperage, or to take any required measures to prevent waste by leakage, or for other necessary purposes. The warehouse must never be opened or left open except in the presence of the storekeeper.

The examination of spirits in warehouse by sample is allowed under the following restrictions:

The aggregate quantity removed from any cask of spirits, while in warehouse, shall not exceed a half pint.

No sample shall be taken from any package except by the owner, or by an agent upon a written order of the owner, nor shall any goods be exhibited or examined in the warehouse, except under the immediate supervision of the storekeeper in charge of the warehouse. Such storekeeper must keep a record of each sample taken in such a manner as will enable him to detect and to report with conclusive proof any attempted abuse of this privilege.

DISCONTINUANCE OF WAREHOUSE.

Whenever the Commissioner of Internal Revenue shall be of opinion that any warehouse is unsafe or unfit for use or the merchandise therein

liable to loss or great wastage, he may discontinue such warehouse, and require the merchandise therein to be transferred to such other warehouse as he may designate, and within a time to be prescribed by him, at the expense of the owner of the merchandise. If such transfer is not made or such expense not paid by the owner, the merchandise will be seized and sold by the collector as upon distraint. (Section 3272, Revised Statutes.)

When a distiller who has given notice of suspension has withdrawn all the spirits from his distillery warehouse, the collector of the district is thereupon required to promptly report these facts to this office, giving the date of the last withdrawal, so that the warehouse may be discontinued and the storekeeper's assignment thereto revoked from said date.

APPOINTMENT OF STOREKEEPERS.

There shall be appointed by the Secretary of the Treasury such number of internal-revenue storekeepers as may be necessary, who shall each receive such compensation, not exceeding *four* dollars a day, to be paid monthly by the United States, as may be determined by the Commissioner of Internal Revenue. (Section 3153, Revised Statutes.)

These appointments are made upon the recommendation of collectors to the Commissioner.

The number of internal-revenue storekeepers and the salaries paid the same can not be increased beyond the number employed and the salaries paid during the last fiscal year. (Legislative appropriation act March 3, 1887.)

Every storekeeper shall take an oath faithfully to perform the duties of his office, and shall give a bond, to be approved by the Commissioner of Internal Revenue, for the faithful discharge of his duties. (Section 3153, Revised Statutes.)

The Secretary of the Treasury may, upon the recommendation of the Commissioner of Internal Revenue, impose the duties of storekeeper and gauger upon one officer, where the amount of spirits produced at the distillery to which such officer may be assigned is not sufficient, in the judgment of the Commissioner, to warrant the employment of two officers to perform the separate duties of storekeeper and gauger. The Secretary of the Treasury may issue a commission to such officer as storekeeper and gauger, but the compensation for his services as storekeeper and gauger shall be that of storekeeper only. The said officer shall, before entering upon the discharge of such duties, give a bond in the penal sum of not less than $5,000 for the faithful performance of

the combined duties of storekeeper and gauger. (Act August 6, 1876, section 3153 *a*, compilation of 1889.)

By virtue of this authority the Secretary of the Treasury has, upon the recommendation of the Commissioner of Internal Revenue, imposed the duties of storekeeper and gauger upon one officer at distilleries having a surveyed capacity not exceeding 100 bushels of grain daily.

Storekeepers at distilleries that mash less than 60 bushels of grain per day shall be allowed not exceeding $50 per month. But when one person acts as storekeeper and gauger his salary shall not exceed $4 per day for the time actually employed. (Section 3153 *b*, compilation of 1889.)

Storekeepers and gaugers assigned to distilleries whose registered capacity is 20 bushels or less shall receive $2 per day for their services. (Section 3153 *c*, compilation of 1889.)

Storekeepers can not engage in any other business without the written permission of the Commissioner. All applications for permission to engage in other business while on duty as storekeeper must be indorsed and recommended by the collector of the district in which the storekeeper is on duty before they can be acted upon by the Commissioner.

All regulations and instructions as to storekeepers extend and apply to persons holding the combined office of storekeeper and gauger.

ASSIGNMENT OF STOREKEEPERS.

One or more storekeepers must be assigned to, and on duty at, each distillery warehouse before the distiller can commence operations.

The Commissioner of Internal Revenue is alone authorized by law to assign storekeepers to duty, revoke their assignments, and fix the rate of their compensation while on duty.

Collectors of districts are required to nominate storekeepers for assignment to warehouses in time to prevent unnecessary and vexatious delay to the proprietors. In determining the number of storekeepers to be assigned to each distillery warehouse, the collector will take into account the construction and condition of the warehouse and distillery, as to their security against theft and fire, or other casualties, the location thereof, the character of the community in which situated, the facilities for illicitly distilling and disposing of the spirits, the capacity of the distillery, and length of time it is operated each day. In each case of a new warehouse, the nomination or nominations should accompany the application for the approval of the same.

The storekeeper will have charge of the warehouse to which he may be assigned, under direction of the collector controlling the same. The

warehouse will be in the joint custody of the storekeeper and the proprietor thereof, and kept securely locked. The storekeeper will retain the key of the Government lock, and will not permit the same at any time to go into the possession of any other person or officer, except the collector or some person designated by the collector or by this office, in pursuance of law, to take his place; and the warehouse must at no time be unlocked or remain open unless in the presence of the storekeeper.

In case of the absence of any storekeeper by reason of sickness or from any other cause, the collector having control of the warehouse may designate a competent person to have temporary charge of such warehouse, who shall, during such absence, perform the duties, be subject to all the liabilities, and receive the pay, of the storekeeper for the time such person may be so employed. But this power of collectors to make temporary designations is limited to filling vacancies occasioned by the absence of regularly assigned storekeepers; and they are not authorized to make such a designation where there is not an existing assignment by the Commissioner. In cases of death, where distillers would be obliged to suspend operations before a regular appointment and assignment could be made, collectors may designate temporary storekeepers; but such designation should not be allowed to continue beyond the shortest period necessary to perfect regular assignments through this office.

Storekeepers being under the immediate direction and supervision of collectors, collectors are required to furnish this office promptly with all necessary information touching their assignment to, relief from, and the manner in which they perform, their duties.

In all cases where the circumstances and interests of the service will permit, it is preferable that changes in the assignments of storekeepers should be so made that their terms of service at each warehouse may commence and end with the beginning and close of the month, so that each month's account of a warehouse may be made in full by one storekeeper.

Collectors may require regularly assigned storekeepers to remain on duty on Sundays and Sunday nights whenever, in their opinion, it is necessary to protect the interests of the Government; and such storekeepers are entitled to compensation for all the time they are actually on duty under such instructions, at the rates fixed in their assignments respectively. Collectors ordering storekeepers to duty on Sunday should do so in writing, stating the reasons therefor, and storekeepers' monthly accounts should be accompanied by copies of such orders.

Collectors are required to report promptly to this office the day when each storekeeper, in their respective districts, begins and ceases duty under each assignment, and each case where they order storekeepers on duty on Sundays or Sunday nights; and neglect of these requirements should be carefully avoided in future. Where storekeepers continue on duty after the date of the revocation of their assignments, their monthly accounts can not be allowed until the reports herein required are furnished.

Whenever the assignment of a storekeeper is revoked, and another storekeeper assigned in his place, his account for pay for that month must bear the indorsement of the collector, showing the date on which such revocation was delivered to him.

Whenever a storekeeper resigns or is reported for removal or dismissal from office, the resignation or report must be accompanied by a statement from the collector as to whether the storekeeper is under assignment or not. If the storekeeper who is leaving the service is under assignment, the collector should, at the time of or before forwarding the resignation or report, nominate some other regularly qualified storekeeper for assignment in his place, or give proper reasons for dispensing with the services of a storekeeper at the place of assignment.

Collectors are required to report promptly to this office whenever a distillery suspends operations, and where night or additional storekeepers are under assignment to the warehouse thereto attached they will be considered relieved from duty as of the date on which the suspension takes place, unless reasons are given for retaining them on duty. In determining whether night storekeepers should remain on duty during suspensions, collectors will be governed by the same conditions as are herein prescribed for determining the number of storekeepers required at each warehouse upon commencing business, and be held in like manner responsible for their retention whenever their presence is necessary.

Whenever any distillery premises are seized, together with the spirits in the distillery warehouse, the storekeeper or storekeepers must be considered as relieved from duty under his or their assignment after the date of the seizure and during its continuance. But if it is deemed advisable by the seizing officer, a storekeeper may be placed in charge of the property as keeper while it is under seizure, and his proper fees as keeper while so in charge paid in the same manner as the other incidental expenses of the seizure.

Storekeepers not on duty should not remain under assignment; and whenever any storekeeper is off duty, the collector of the district should

promptly notify this office of the cause and date when he ceased duty, so that his assignment may be revoked.

Storekeepers can not enter upon their duties until they have been assigned by the Commissioner, and are only entitled to compensation for such time as they are actually employed in the performance of their official duties under such assignment.

ASSIGNMENT OF GENERAL STOREKEEPERS.

When operations are suspended at any distillery, and the quantity of spirits remaining in bond in the distillery warehouse does not exceed 5,000 gallons, collectors are instructed to relieve the storekeeper under assignment to such warehouse, and require him to turn over the keys, books, and papers to a storekeeper who will be designated, upon the nomination of the collector, to take charge of all such distillery warehouses in his district.

The storekeeper thus designated for special duty will only be required to be present at the various warehouses to which he may be assigned when it is necessary to open them to make withdrawals, or for other necessary purposes, as prescribed in regulations. He should have his desk and keep his records in the collector's office, where he himself will remain, during office hours, when not on warehouse duty.

Should collectors have any doubt as to the responsibility of the bondsmen on any of the warehousing bonds covering spirits remaining in bond, as above stated, they will call for new warehousing bonds.

DUTIES OF STOREKEEPERS.

Storekeepers are required to be present at their places of duty during the hours for which they are assigned. Those assigned to day duty are required to be present at the place of duty during all the hours of the day, and night storekeepers during all the hours of the night, whether the distilleries are operated or not. Where both day and night storekeepers are assigned, neither should leave the place of duty until relieved by the other. In no case will a storekeeper be allowed pay for more than one day in each consecutive twenty-four hours constituting a day, notwithstanding he may remain on duty beyond the hours of his assignment.

Storekeepers are required to be on duty, and in daily attendance at the warehouses to which they are respectively assigned, until relieved; and where a distillery is under suspension, and all spirits are withdrawn from the warehouse, the collector will require the storekeeper to report the fact of the withdrawal of the last spirits on the day on which it

occurs, and the storekeeper will be considered as relieved from duty after that day. Collectors are required to report all such cases promptly to this office, giving the date of the last withdrawal in each case. The last withdrawal of spirits is not considered complete until the spirits are all actually removed from warehouse and the tax paid or export stamps all affixed; and the date herein required to be given is that on which the withdrawal is so completed.

If the interests of the Government require the presence of a storekeeper at a distillery during the hours of night, the same interests certainly demand that he shall know what transpires at the distillery during all the hours of his assignment, *and the same degree of vigilance is expected from storekeepers assigned to night duty as is required of those on duty during the day.*

For absence from the distillery during the hours for which he is assigned, the officer is liable to summary removal from office, and to fine and imprisonment if the neglect to perform his duty be willful or fraudulent. No excuse, short of absolute necessity, is receivable for the offense.

The special attention of officers and distillers is directed to the penalties imposed in section 3284, Revised Statutes, for mashing, distilling, or removing spirits, in the absence of the storekeeper or person designated to act as storekeeper. Any mashing or distilling at any time when the storekeeper is not present is prohibited.

The storekeeper assigned to any distillery warehouse has charge, by express provisions of law, both of the warehouse and of the distillery, under the direction of the collector.

It is his official duty, for the due discharge of which he is held responsible, to see that the distillery is full in accordance with law, both in its construction and in its operation; that true and complete records and reports are made by the distiller and by himself as by law and regulations required; and that the entire product of the distillery is entered into warehouse and only withdrawn therefrom according to law. He must take the weight and measure of all material received upon the distillery premises, and will not allow any to be stored thereon without first complying with this requirement, and making the proper entries of the same in the appropriate book of accounts.

The storekeeper must ascertain and record the weight and measure of all material to be used in mash before allowing it to be put into the mash tubs.

The absence of scales and other facilities for determining the weight and measure will not be received as sufficient excuse for not performing

this duty, unless the official files shall show that the storekeeper has reported their absence and taken all reasonable steps to have them furnished.

Where the scales are set for weighing off the meal put into the mash tub, it is the storekeeper's duty from time to time to test their accuracy, and any want of accuracy should be immediately reported to the collector. The use of material in the mash tub without weight and measure, or the existence of facilities for crowding or thickening the mash without the knowledge of the storekeeper will, upon being ascertained, be considered sufficient grounds for dismissal, unless the official record shows that such use and such facilities have been reported by him in writing to the collector.

Every storekeeper must make himself thoroughly conversant with the distillery premises and all the apparatus used in the business of distillation, examine the plan (when a plan is required) and survey in the office of the distillers, and carefully note whether the facts are accurately set forth therein.

He is to note carefully the character and condition of all connections, pipes, tubs, or vessels used for conducting spirits in the course of their distillation, to see if they are continuous and closed, as required, and if the distiller can have any access to the spirits while in transit, and report at once any condition of the apparatus not in accordance with requirements.

He will see that the cistern room is constructed as required in instructions headed "Cistern room," p. 12, and will also note the condition of the warehouse, and see that it is a suitable and secure place for the storage of spirits, and promptly report any lack of security to the collector.

He is required to be present at the drawing of all spirits from the receiving cistern, and at the gauging, marking, branding, and stamping of all packages of spirits put up on the distillery premises, and is held jointly responsible with the gauger that all the mechanical duties connected therewith are faithfully performed.

The storekeeper will see that all spirits, the manufacture of which is completed each day, are conveyed to the receiving cisterns on the same day; and the storekeepers will not change the flow of spirits into another receiving cistern until the spirits belonging to a given day have been run into its appropriate cistern.

Storekeepers will bear in mind that the serial numbers must commence with number one (No. 1) on the first cask deposited, taking special care that no two casks warehoused at the same distillery be marked with the same serial number.

When a change of ownership of the distillery occurs, the first cask deposited by the new distiller or owner must begin with number one (No. 1), the same as if the distillery had never been operated before. (See also instructions as to the serial number under head "Change of name," p. 10.)

The warehouse and its contents should receive the storekeeper's utmost care and attention. He should require that it be kept in good and safe condition, and that the spirits stored therein be not liable to loss or wastage.

If there is any violation of law or irregularity on the part of the distiller, the storekeeper must make immediate report of the same to the collector and to the Commissioner, and for any neglect to do so he will be dismissed. Where a distillery is closed on account of any violation of law which is reported by the storekeeper, such storekeeper will be promptly assigned to another warehouse.

The position of storekeeper is one of special confidence and trust, and the faithful discharge of the duties pertaining thereto will entitle the officer to the favorable consideration of this office. No officer can be said to faithfully discharge his duties who is found absent from his post during the assigned hours, nor who fails in accomplishing the purposes of his appointment; and it is expected that the services rendered will, in every instance, be of a character which will commend the officer to confidence.

STOREKEEPERS' DISTILLERY RECORDS.

Storekeepers are required to keep the following records:

Record of storekeepers at registered distilleries, No. 17, in which will be entered, in the proper columns, the materials on hand at the first of the month, materials received and used for the production of spirits during the month and on hand at the close of the month, fuel used for the production of spirits during the month, a complete record of the fermenting tubs filled and emptied, and the quantity of spirits drawn from the receiving cisterns during the month, repairs made, and workmen employed. The monthly reports on Forms 88 and 88½ should be made from this record. Book No. 16 will be used for this record at rum distilleries.

Record No. 17½ will be kept as a supplement to and a part of No. 17 at those distilleries where materials are purchased or received from so large a number of persons each day that an itemized account can not be kept on No. 17. In such cases only the total quantity purchased or received each day will be entered in No. 17, and in the column "Pur-

chased from" will be entered the pages of No. 17½ containing the items from which the totals are obtained.

Storekeepers coming on duty at a distillery where work is being resumed after suspension are required to make an entry in Record No. 17 of all repairs made on the distillery or distillery premises, and of all the material received thereon, during the period in which work was suspended thereat. Distillers will be required to afford all the facilities in their power to enable storekeepers to make the proper entries of these facts.

The storekeeper is required to record the hour and minute when the fermenting period for each fermenting tub, as adopted by the distiller, begins, and to measure the dry inches and calculate the quantity in each tub, and to note the temperature and gravity of the beer therein when filled, and to note temperature and gravity at 12 noon on each day thereafter, and enter the same in his book. He must also record the hour and minute when each fermenting tub is emptied, the dry inches, quantity in each tub, and the temperature and gravity of the beer at that time, and if the tub is emptied before the end of the fermenting period he must see that it is not again filled during that period; *and any irregularity on the part of the distiller in either of these respects must be forthwith reported to the collector and to the Commissioner of Internal Revenue.* The entries of the dry inches and quantities of mash in each tub on his books must be made by him from actual measurement.

STOREKEEPERS' WAREHOUSE RECORDS.

Every storekeeper shall keep a warehouse book, which shall at all times be open to the examination of any revenue officer, and shall enter therein an account of all articles deposited in the warehouse to which he is assigned, indicating in each case the date of deposit, by whom manufactured or produced, the number and description of the packages and contents, the quantities therein, the marks and serial numbers thereon, and by whom gauged, inspected, or weighed, and if distilled spirits, the number of gauge or wine gallons, of proof gallons, and of taxable gallons; and before delivering any article from the warehouse he shall enter in said book the date of the permit or order of the collector for the delivery of such articles, the number and description of the packages, the marks and serial numbers thereon, the date of delivery, to whom delivered, and for what purpose, which purpose shall be specified in the permit or order for delivery; and in case of delivery of any distilled spirits the number of gauge or wine gallons, of proof gallons, and of taxable gallons, shall also be stated; and such further particulars shall be entered in the warehouse books as may be prescribed or found necessary for the identification of the packages, to insure the correct delivery thereof and proper accountability therefor. And every storekeeper shall furnish daily to the collector of the district a return of

all articles received in and delivered from the warehouse during the day preceding that on which the return is made, and mail at the same time a copy thereof to the Commissioner of Internal Revenue, and shall, on the first Monday of every month, make a report in duplicate of the number of packages of all articles, with the respective descriptions thereof, as above provided, which remained in the warehouse at the date of his last report, of all articles received therein and delivered therefrom during the preceding month, and of articles remaining therein at the end of said month. He shall deliver one of these reports to the collector having control of the warehouse, to be recorded and filed in his office, and transmit one to the Commissioner of Internal Revenue, to be recorded and filed in his office.

This section, as amended, requires the storekeeper to enter in his warehouse book, Form 18, and to state in his daily return, Form 86, and his monthly return, Form 87, the number of taxable gallons deposited in the warehouse or withdrawn therefrom, as the case may be, in addition to the number of wine gallons and proof gallons. In case the number of packages carried in the warehouse exceeds 1,000, the storekeeper will also keep the record book, Form 58.

STOREKEEPERS' REPORTS.

Storekeepers will make monthly abstracts on Forms 88 and 88½, and the following instructions must be literally complied with in each and every case:

The storekeeper at each distillery must, at the first of the month, take an accurate account of the materials on hand and report the same on Form 88, under the heading "On hand at first of month," being careful to note each kind of material, separately, in pounds and bushels, or in gallons, or both, as the case may be.

He will keep an accurate record of all materials received during the month, and enter the total quantity of each kind of material so received under the heading "Received on the distillery premises during the month."

These last items, added to the quantity on hand at first of month, will form the total to be entered in the first column, headed "Total."

Under the head of "Used for the production of spirits during the month" the storekeeper will enter the total quantity of each kind of material actually put in mash during the month.

He will take account of and enter, under head of "On hand at last of month," the total quantity of each kind of material on the distillery premises and not in mash, after the close of business on the last day of the month for which the abstract is made.

The combined items of the last two columns, "Used for the production of spirits" and "On hand at last of month," will form the total to be entered in the second column, headed "Total."

Under the head of "Waste" he will enter the total waste found by actual measurement, and any loss not due to handling or exceeding 2 per cent of grain used must be explained.

In the account of materials used, on their monthly abstracts, Form No. 88, storekeepers will enter first the amount of mash on hand at the close of the preceding month. Under this they will enter the quantity of material used during the month, with the quantity of mash produced therefrom, and from the amount of these two items deduct the quantity of mash on hand at the end of the month.

In the account of spirits storekeepers will enter opposite the date of each working day the quantity of spirits produced—that is, run into the cistern room before midnight of that day—as shown by subsequent inspection of same, and also the quantity gauged and removed to warehouse that day.

The account of spirits produced will include all spirits run into the receiving cisterns up to midnight of the last day of the month; and the quantity drawn off and warehoused the succeeding month, if any, will be entered on the storekeeper's monthly abstract, Form 88, and the distiller's monthly return, Form 14, in a separate item.

Storekeepers at distilleries where spirits in large quantities undergoing various processes of manufacture are held outside the cistern room will make a statement of the same as required by the blanks and instructions on Form 88, revised.

It is the duty of the storekeeper to know that all entries and reports made by him are correct. He has no right to estimate, or to trust to the information received from the distiller, or anyone in his employ. He is placed on duty, not to receive and record the reports of the distiller or his employés, but to keep a record of transactions of which he is required to have a personal knowledge. The quantity of mash in a tub at the time it is emptied is not the subject of an estimate, but is to be determined by actual measurement; and the quantity made and used during the month, or on hand at its close, can and must be determined in the same way; and the entries upon Form 88 will be taken as his official certificate that the quantities there entered are literally correct.

In filling up "Form 88½" the storekeeper will enter, under the head "Fermenting tubs filled," the number of each tub filled, taking one line for each tub, and under the heading "Day" he will enter the day of the month, and under the heading "Hour" he will enter the exact hour and minute, A. M. or P. M., when the filling of the tub begins, or when the tub is actually full, as the distiller may elect. The distiller may adopt either time as the beginning of his fermenting period, but

no change will be permitted without notice to the collector upon a Supplemental 27*a*, stating "Change in time of beginning the fermenting period."

The storekeeper will enter upon Book No. 17, and also upon each Form 88½, that the fermenting period begins "When filling of tub begins," or "When tub is full," as the case may be; and will note the hour and minute accordingly.

In filling the columns under the headings "Fermenting tubs emptied," storekeepers will be particular to record the exact hour and minute at which each fermenting tub is actually empty. The fermenting period will be noted on Form 88½.

In molasses distilleries, where rum is produced, and the tubs are set, fed, and filled as is usual in making what is known as "New England rum," the time the first material is put into any tub will be entered on Form 188½ as the time such tub was filled.

These forms will be carefully examined at this office, and any irregularity on the part of the distiller, or carelessness on the part of the storekeeper, will be dealt with as provided by law.

Storekeepers must make a report daily on Form 86, during all the time they are in charge of the distillery warehouse, when spirits are entered into or withdrawn from the warehouse. In no case must the transactions of more than one day appear upon Form 86. If the distillery shall be closed the storekeeper will, until relieved from duty, continue to make a daily report as above. This report must show the number of packages of spirits received into or taken out of warehouse during each day; the serial numbers of the packages; serial numbers of the warehouse stamps; the serial numbers of the tax-paid stamps and of the export stamps, and the wine, proof, and taxable gallons, when and by whom gauged, to whom delivered, and for what purpose. It will also show the actual quantity in wine gallons and proof gallons lost and the quantity in taxable gallons allowed. It will also show the number of packages and contents lost by casualty, stolen, etc.

If the Secretary of the Treasury abates the tax on a portion of the contents of any package, the storekeeper will affix a label to the package showing the number of gallons on which the tax is abated, with the words, "Allowed ——— —, 189–, as casualty, under section 3221, Revised Statutes," stating the proper date after the word "allowed." He will also take credit for this allowance on Forms 86 and 87, as for the day he is informed of such allowance.

In case of withdrawals of packages for export, for transfer to manufacturing warehouses, for scientific purposes, or for use of the United States, the excessive loss must be tax-paid and reported on Form 86.

The same report of wine, proof, and taxable gallons should be made in the monthly warehouse report, Form 87, care being taken, in all cases where required, that the serial numbers of the packages, the serial numbers of the warehouse stamps, and the serial numbers of the tax-paid stamps or export stamps are reported on Forms 86 and 87.

Storekeepers designated as general storekeepers to take charge of warehouses at distilleries where operations are suspended will only be required to make daily reports on Form 86 to this office and to the collector when withdrawals are made.

In case of spirits withdrawn for export in bond the storekeeper will enter on Form 86 the serial number of the export stamps in place of serial number of tax-paid stamps. When spirits are withdrawn from warehouse on payment of tax and for some other purpose, as for export in bond for transfer to manufacturing warehouses for scientific purposes or use of the United States, on the same day, the storekeeper will make separate entries in his report, Form 86, of each class of withdrawals. Those for export for transfer to manufacturing warehouses for scientific purposes or use of the United States should be written in red ink. Similar distinct entries of withdrawals for consumption for export and for other purposes should also be made in the distillery-warehouse record and on the monthly report, Form 87.

The monthly return, Form No. 87, must show the quantity of spirits in warehouse on the first day of the month before any spirits are entered or withdrawn, the quantity entered and withdrawn during the month, which will of course agree with the footings on his warehouse book, and the aggregate of his daily reports on Form 86, and the quantity in warehouse on the last day of the month, after the close of business for that day.

Each report on Form 86 intended for the Commissioner of Internal Revenue will be mailed to him by the storekeeper on the evening of the day for which it is rendered, with the gauger's report or reports inclosed as follows: One report on Form 59*a*, covering all the spirits deposited in the warehouse during the day; one report on Form 59*a*, covering the spirits withdrawn therefrom, tax paid, without a regauge during the day (provided that as to spirits deposited and withdrawn the same day, tax paid, without reguage, one report on Form 59*a* is sufficient); one report on Form 176, covering the spirits so withdrawn, tax paid, upon a regauge; one report on Form 205, covering the spirits withdrawn for export; one on form 205, covering the spirits withdrawn for transfer to manufacturing warehouses; one on Form 205, covering the alcohol withdrawn by colleges or other scientific institutions for

use in their chemical laboratories or in the preservation of specimens of natural history belonging to them; and one on Form 205, covering the spirits withdrawn for use of the United States, or as the case may be.

When, however, the number of packages deposited or withdrawn tax paid or for any of the purposes authorized by law exceeds 175, and the gauger is therefore compelled to use two or more of Forms 59*a*, 176, or 205, as the case may be, the storekeeper will see that the requirements as to recapitulation (see p. 137 of these Regulations as to gauger's reports) are complied with. If, however, two or more gaugers make reports for the same day of the same class of transactions the storekeeper will make a recapitulation of such reports delivered to him for the day. A special blank form has been prepared for recapitulations, and may be used by gaugers and storekeepers whenever its use is indicated.

TRANSFER OF STOREKEEPERS AND STOREKEEPERS AND GAUGERS.

ALL storekeepers employed at distilleries, and all storekeepers and gaugers employed at distilleries having a surveyed daily capacity exceeding 60 bushels, will be changed as often as once in sixty days.

All storekeepers and gaugers employed at distilleries having a surveyed daily capacity of 60 bushels or less will be changed as often as, in the opinion of the collector, the interest of the service shall require; but such changes shall be made at least once during the season of active operations.

Storekeepers and storekeepers and gaugers employed at special bonded warehouses will, whenever practicable, be changed as often as once in sixty days.

These changes in assignment will be made by the Commissioner upon the recommendation of the collector.

All necessary transfers from one district to another will be made by the Commissioner upon the joint recommendation of the collectors of the two districts.

DISTILLER'S BOOKS.

Every distiller (section 3303, Revised Statutes) is required to make true and exact entry daily, in books to be kept for that purpose, in the form and manner set forth in Forms Nos. 12, 13, 25, and 28, heretofore prescribed, of all matters therein contained. No materials of a kind for which a special column is provided in Form No. 13 should be entered under the head of other materials, and in Form No. 12 every kind of material purchased must be specified.

Distillers who have given the required bond as such, and who sell only distilled spirits of their own production at the place of manufacture in the original cask or package to which the tax stamp is affixed, are exempt from paying special tax as wholesale liquor dealers, but are nevertheless required to keep wholesale dealer's book, Form 52*c*, and to enter therein all spirits as received when the tax is paid thereon, and when sent out, to whom sent, etc.

DISTILLER'S MONTHLY ACCOUNT.

Under the provisions of section 3307, Revised Statutes, every distiller is required on the first day of the month, or within five days thereafter, to render to the collector an account in duplicate. This return will be rendered on Form 14. The return is to be taken from the distiller's books, and in making up said return he will enter the number of pounds of each kind of material used each day in the proper column. In the column of "Bushels" he will enter the number of bushels and fractions of bushels, found by dividing the number of pounds by 56, that being the number of pounds provided by law to represent a bushel. Should there be any fraction of a bushel in excess of even bushels, that fraction will be entered on Form 14 as so many fifty-sixths, and never in decimal fractions. Under the head of "Total" will be entered the total of all the columns; and in the column "Spirits distilled and placed in warehouse" he will enter the number of packages, the wine and proof gallons, giving the actual inspection, and not taxable gallons. Each package need not be reported separately, but the number of packages entered each day may be reported in total. In filling up the affidavit the distiller will enter in the blank prepared for the purpose the dates of the first and last days included in the last preceding return.

Each return must be verified under oath or affirmation by the distiller or the principal manager of the distillery; the oath of a clerk or other employé is not sufficient.

Upon the receipt of the return, the collector should satisfy himself, by examination of the books and premises, in person or by deputy, of the accuracy of the entries made, and will then transmit one copy to the Commissioner of Internal Revenue, with copies of the storekeeper's returns, on Forms 88 and 88½.

COMMENCEMENT OF WORK.

The opening paragraph of section 3310 of the Revised Statutes, as amended by section 7 of the act of May 28, 1880, provides that the first

fermenting period of every distiller shall be taken to begin on the day the distiller's bond is approved; and every distiller at the hour of 12 meridian on the last day of such first fermenting period, or at the same hour on any previous day of such fermenting period, on which spirits are distilled, shall be deemed to have commenced, and thereafter to be continuously engaged in, the production of distilled spirits in his distillery, except in the intervals when he shall suspend work as hereinafter provided.

This provision gives every distiller one full fermenting period in which to prepare his mash or beer for distillation, and the liability to the 80 per cent capacity will commence on the last day of such period, or on any previous day on which spirits are distilled.

SUSPENSION OF WORK.

Any distiller desiring to suspend work (section 3310, Revised Statutes) must give notice in writing to the collector, on Form 124, stating when he will suspend work. On the day mentioned the collector or one of his deputies shall, at the expense of the distiller, proceed to fasten securely the door of every furnace of every still or boiler in said distillery, by securely locking the same, so that they can not be opened or any fire lighted in such furnace. Such notice and the report of the action taken thereon will be immediately transmitted to the Commissioner of Internal Revenue.

No distiller can carry on the business of a distiller after the time stated in such notice until he shall have given another notice in writing, on Form 125, to the collector, stating the time when he will resume work, at which time the collector or one of his deputies must attend and remove the locks and other fastenings, which action must be immediately reported (when done by a deputy) to the collector and by him to the Commissioner, and the report of the deputy collector and collector must distinctly state whether or not there was any mash, wort, or beer on hand at the time of such suspension.

In order that the distiller may have the full benefit of the provisions of section 3310, Revised Statutes, and that the suspension may commence as soon as there is no beer on hand. he should give notice, at least twenty-four hours before the time he wishes to suspend, fixing in the notice the exact time when his tubs will be empty and all the beer on his distillery premises will be distilled, and all spirits in the process of manufacture will be run into the receiving cisterns in the cistern room. This course will give the collector ample time to notify his deputy to proceed to the distillery and lock the furnace doors as

required by law. The provision for suspension under this section is where such suspension is at the desire of the distiller; and having mash, wort, or beer in the distillery during suspension is forbidden under heavy penalties. But it is further provided that nothing in this section shall be held to apply to suspensions caused by unavoidable accident, and that the Commissioner of Internal Revenue shall prescribe regulations to govern in such cases of involuntary suspension.

In case of an accident necessitating a suspension, the distiller should, if possible, distill all the beer in his tubs; but should the accident be of such a nature as to render this impossible or impracticable, the distiller will immediately give notice to the deputy collector of the division in which the distillery is located, and said deputy collector will immediately proceed to the distillery and lock the furnace doors, and so disconnect the machinery as to make distillation impossible, removing to the bonded warehouse some portion of the machinery necessary to distillation, and will at once notify the collector of his action, giving a full statement of the manner of dismantling the distillery, and the precise quantity of beer in each tub. Should the deputy collector fail to reach the distillery at the time stated in the notice, the storekeeper on duty at the distillery may lock the furnace doors, disconnect the machinery, and remove some portion of the same necessary to distillation to the bonded warehouse, and note the quantity of beer on hand. Upon the arrival of the deputy collector the storekeeper will deliver to him a certified statement showing when the furnace doors were locked and the machinery disconnected, and the quantity of beer on hand, and will also surrender the keys of the furnace doors. The deputy collector will notify the collector at once, on Form 124, giving a full statement of the manner of dismantling the distillery, and the precise quantity of beer on hand.

Such notice will be accompanied by the certified statement of the storekeeper. The suspension will then be allowed, provided the distillery remains so dismantled for a period of twenty four hours, exclusive of the day on which the doors are locked or distillery dismantled, and the day on which the fastenings are removed or the machinery connected. The storekeeper will also make a record of the number of gallons of beer in each tub, giving its serial number, at the time of suspension, and also the gallons of beer in the beer well, and will see that the same beer remains at the resumption of work, less natural evaporation; and the deputy collector, when he removes the locks and connects the machinery after such suspension, will note the quantity of beer on hand, and report to the collector, who will immediately forward a copy of such report to the Commissioner. It will be observed

that the law in providing for such involuntary suspension uses the word *accident*. This is not understood to include a failure of water or want of grain, or any circumstances which prevent the operation of the distillery, except an inevitable accident which can not be foreseen by the distiller, and which renders distillation impossible. Upon receipt by the collector of the notice of his deputy that he has disconnected the distilling apparatus on account of accident, and the account of beer on hand, he will immediately forward a copy of such notice and account to the Commissioner, stating fully and explicitly the nature of such accident, and upon receipt of notice of having reconnected the distilling apparatus and of having allowed the distiller to resume operations, together with an account of beer on hand at the time of resuming, forwarded by the deputy collector to the collector, the collector will forward a copy of such notice and account to the Commissioner.

WHEN DEDUCTIONS ALLOWED.

No deduction is to be made for a suspension of work unless the provisions of section 3310, and of regulations thereunder, are strictly complied with. The distiller must give two notices in writing to the collector—first, of the time when he proposes to suspend work, and, second, a like notice of the time he proposes to resume; at both of which times the collector or his deputy must be present to secure the furnaces, or to remove the fastenings, as the case may be, and these two notices can not be combined in one.

Attention is called to the provision of this section imposing penalties upon any distiller who, after the time fixed in his notice of intention to suspend work, shall carry on the business of a distiller on said premises, or has mash, wort, or beer in his distillery or on premises connected therewith, contrary to the provisions of said section.

COMMENCEMENT OF WORK AFTER SUSPENSION.

Where a distiller resumes work after a suspension with no mash on hand, he will be deemed to have commenced the distillation of spirits at 12 meridian on the last day of the first fermenting period or at the same hour on any previous day of such fermenting period on which spirits are distilled, and liability to 80 per cent of the capacity will accordingly commence on the last day of such period or on any previous day on which spirits are distilled.

In order that a proper allowance may be made, the distiller should note on Form 14 and the storekeeper on Form 88 the time distillation commenced on resumption with no beer on hand.

When a distiller resumes with beer on hand, after an involuntary suspension, no allowance will be made in computing the 80 per cent.

FERMENTING PERIOD.

Section 3285 of the Revised Statutes, as amended by section 3 of the act of May 28, 1880, provides that every fermenting tub shall be emptied at or before the end of the fermenting period; no fermenting tub in a sweet-mash distillery shall be filled oftener than once in seventy-two hours, nor in a sour-mash distillery oftener than once in ninety-six hours, nor in a rum distillery oftener than once in one hundred and forty-four hours.

This section, as amended, allows sweet-mash distilleries to ferment once and no more in seventy-two hours, sour-mash distilleries once and no more in ninety-six hours, and rum distilleries once and no more in one hundred and forty-four hours.

The fermenting period of each tub will begin when the filling of the tub begins or when the tub is actually full, at the option of the distiller; and the tub can not again be filled until the expiration of the period as established by law.

Each tub may be emptied at any time before the end of its fermenting period; but, unless sooner emptied, it must be emptied at the end of the period.

When a tub is emptied before the end of the period fixed by law, it must stand empty and open until the end of the period; after which, it may, at the option of the distiller, again be filled or may continue to stand empty and open, or may, upon notice from the distiller, be closed and sealed.

But no tub, after having been filled, can be closed and sealed for the purpose of limiting the producing capacity of the distillery until the expiration of the full period fixed by law.

CHANGES IN CAPACITY.

Any distiller (section 3311, Revised Statutes) desiring to reduce the producing capacity of his distillery must give notice of such intention in writing to the collector (Form 126), stating the quantity of spirits which he desires thereafter to manufacture every twenty-four hours; and thereupon the collector is required, at the expense of the distiller, to reduce and limit the producing capacity of the distiller to the quantity stated in his notice, by placing upon a sufficient number of tubs close-fitting covers, securely fastened by nails, seals, and otherwise, so as to prevent the use of such tubs without removing said covers or breaking said

seals and whenever he shall be of opinion that other precautions are necessary, he will report the case to the Commissioner of Internal Revenue for instructions.

Where a distiller desires to reduce capacity without reducing the number of tubs, it may be done by cutting down the tubs to the size required. The cutting out of one or more staves is not sufficient, but the whole tub must be cut off; in which case a new survey must be made, as hereinbefore provided. It is the custom in most distilleries to set the tubs in a slanting position that the beer may run out more readily, and that the tubs may be more easily cleaned. In such a case the distiller may cut the tops of his tubs to a water level, and as this would be a reduction of capacity a new survey may be made, and the average or mean depth may be taken. In case tubs are not so cut to a water level, no temporary or other additions will be allowed on the tops of the fermenting tubs to prevent overflow of beer.

When a distiller desires to reduce the producing capacity of his distillery by closing tubs then open, or to increase it by opening tubs then closed, he must give notice to the collector on Form 126, stating the quantity of spirits he desires thereafter to produce every twenty-four hours.

Tubs closed to reduce capacity must be covered with close-fitting covers, which must be secured by nails, seals, and otherwise, and in such manner as to prevent the use of such tubs without breaking the seals and removing the covers.

The opening and closing of tubs must be done by or in presence of the collector or one of his deputies, who only are authorized to attach the fastenings and seals, or to remove the same from the covers placed upon the tubs not in use.

When fermenting tubs are closed in a grain or molasses distillery, either on one day or on certain successive days in one fermenting period, pursuant to a notice from the distiller of his intention to reduce the producing capacity of his distillery, and thereafter to manufacture daily a certain less quantity of spirits, the reduction in capacity resulting from closing the tub or tubs named in the distiller's notice will be deemed to occur, and will be allowed to the full extent of the total daily capacity of the tub or tubs closed; at the end of the same number of hours after the closing of the first tub which is fixed by the survey as a fermenting period for the distillery—that is, seventy-two hours, ninety-six hours, or one hundred and forty-four hours, as the case may be.

In like manner, when fermenting tubs are opened, either on one day or on certain successive days in one fermenting period, pursuant to

notice by the distiller of his intention to increase the producing capacity of his distillery, and thereafter to manufacture daily a certain larger quantity of spirits, the increase in capacity resulting from opening such tub or tubs will be deemed to occur, and will be allowed to the full extent of the total daily capacity of the tub or tubs opened, at the end of the same number of hours after the opening of the first tub which is fixed by the survey as a fermenting period for the distillery—that is, seventy-two hours, ninety-six hours, or one hundred and forty-four hours, as the case may be.

Notices of change in capacity will be given on Form 126, revised, and will state the day or successive days, not exceeding one fermenting period in number, upon which tubs are desired to be closed, or to be opened, as the case may be, the serial numbers of the tubs to be closed, or to be opened, each day, the working capacity of each tub in gallons, and its daily capacity in bushels, the daily spirit-producing capacity of the distillery after the change shall be completed, and such other information as is called for by the form.

When a change is to be made by closing tubs, or by opening them, as the case may be, on successive days, the notice should be given upon Form 126.

When notices of changes to be made on successive days are given at different dates, or when tubs are opened or closed on days not immediately successive, only the change in capacity resulting from each opening or closing, as the case may be, will be allowed at the end of a period equal to the fermenting period fixed by the survey of the distillery, after such opening or closing.

When tubs are opened and other tubs are closed on the same day, their difference, if any, in daily capacity only, will be allowed.

It will be observed that the closing of the tub does not affect the capacity of the distillery at the time of closing; but that, on the contrary, its capacity is withdrawn from the total capacity of the distillery not later than at the end of one fermenting period from the closing of the tub, or the closing of the first of a series of tubs closed on each of successive days, when, because of such closing, the product of the distillery will be reduced.

So, also, the opening of tubs for the purpose of increasing capacity will not affect the capacity of the distillery until one fermenting period has elapsed from the opening of the tub, or from the opening of the first of a series opened on each of successive days, and until (if the tubs were filled) the spirit product of the distillery is affected thereby.

When the distiller is not using the full fermenting period allowed by law a change in capacity will take effect, either at the end of the legal

fermenting period, or on any previous day upon which the spirit product of the distillery is affected by the change.

The certificates of the collector and deputy collector (upon Form 126) will show that the tubs have been closed or opened in the manner required by law and regulations; the serial numbers of the tubs open, and the serial numbers of the tubs closed, after the change, and the daily capacity of the distillery resulting from the change, and the date when the same takes effect.

These notices are to be given in duplicate, and deputy collectors are hereby required to deliver, or to forward, them to the collector on the day that the fermenting tubs are closed or opened, in accordance with the notice; and collectors are required, on the day of their receipt, to examine the same, append their certificates, and cause the proper entries to be made in their record of registered distilleries (No. 45) and forward one copy to the Commissioner of Internal Revenue. The retention of these notices by deputies, of their accumulation in the office of the collector, must not be permitted.

CHANGE IN STRENGTH OF BEER.

In case a distiller wishes to change his capacity by varying the strength of beer, and wishes to use a beer thicker than that authorized by the existing survey, a new survey should be made, based upon the strength of beer named in the notice of the distiller. But in case the distiller wishes to use a beer thinner than that authorized by the existing survey, no new survey should be made, or change of capacity allowed, unless the strength of beer desired to be used by the distiller is within the minimum prescribed in section 3264, Revised Statutes.

ENLARGING CAPACITY.

In case a distiller desires to increase capacity after his plans are furnished, the survey made, and his bond is approved, he must give notice on Form 27*a*, under section 3259, Revised Statutes, and if such change necessitates any alteration in his distillery, as the introduction of additional mash or fermenting tubs, a supplemental plan must be furnished, showing the alterations. If such alterations are confined to one floor, a supplemental plan of that floor, properly certified, will be received. In case of increase of capacity over that fixed by the survey upon which the penal sum of the bond was computed, a new notice and survey will be required, and a new bond will also be required, provided the penal sum of the existing bond is insufficient.

SPIRITS TO BE DEPOSITED IN RECEIVING CISTERNS IN CUSTODY OF GAUGER.

All spirits the manufacture of which is completed each day must be conveyed into the receiving cisterns on the same day. The cisterns and the room in which they are contained must be in charge of and under the lock of the internal-revenue gauger designated for that duty. The collector will designate the gauger to perform this duty. In no case, however, will the storekeeper, unless he be acting in the capacity of storekeeper and gauger, be allowed to hold the key or have charge of the cistern room. The cistern room must not be opened or suffered to remain open except when the designated gauger is present, nor will the Government key at any time be suffered to pass into the possession of the distiller or any person in his employ, but will be retained at all times in the possession of the designated gauger.

REDISTILLATION ON DISTILLERY PREMISES.

Section 3244, Revised Statutes, declares that every person shall be regarded as engaged in the business of rectifying who rectifies, purifies, or refines distilled spirits or wines, by any process other than by original and continuous distillation from mash, wort, or wash, through continuous closed vessels and pipes, until the manufacture thereof is complete. Therefore, a distiller may carry his product through as many processes of distillation as he pleases, provided the process is *continuous*, commencing with the distillation of the mash, wort, or wash, *the product of the distillation of the mash being carried through continuous closed vessels and pipes until the final product is deposited in the receiving cistern.*

By the same section distillers are allowed to purify or refine distilled spirits in the course of original and continuous distillation, through any material which will not remain incorporated with such spirits, when the manufacture thereof is complete. The only processes of refining or purifying known to this office, which can be allowed under the law, are redistillation, leaching, or vaporizing through charcoal, wood shavings, flannel, or other similar purifiers. The apparatus to be used for purifying or refining in a distillery and the room or building containing the same must be arranged and constructed as required in instructions under the head "Redistilling or rectifying room," p. 11.

On the completion of the process of purifying or refining, the substance through which the spirits have passed must be disposed of in some manner, and it is held that such substance can not be removed from the distillery premises without a violation of section 3276, Revised Statutes, which forbids the removal of distilled spirits to any place

other than a distillery warehouse before the tax thereon has been paid. It is a well-known fact that the substance through which the spirits have passed will retain a considerable quantity of spirits, even after the usual process for recovering such spirits, and distillers are therefore forbidden to remove from the distillery premises any charcoal, shavings, or other substance which has been used in the leaching tubs containing any spirits, but such substance may be consumed on the distillery premises as fuel, and will be entered upon the proper record in the same manner as other fuel.

REMOVAL OF FUSEL OIL.

The removal of fusel oil from distilleries, in quantities of not less than 200 gallons at one time, will be permitted upon compliance with the following requirements:

The oil must first be thoroughly washed and purified and withdrawn from the tank or tub into packages in the presence of the storekeeper, who will note upon his record, No. 17, the quantity of oil so withdrawn from the tub that day.

The distiller shall then, before removal of the oil from the distillery premises, give notice to the collector of the district, stating the time at which he desires to make such removal and the quantity to be removed. The collector, or a deputy specially detailed for that purpose, shall attend at the time specified in the notice, and together with the storekeeper on duty at the distillery make test of the character of the oil by a tube to be provided by the distiller.

The oil, after having been washed or purified and drawn into packages, shall be thoroughly plunged or agitated, and then specimens drawn from each package into a test tube, to be provided by the distiller, for examination.

The test tube is of glass, bulb-shaped and closed at one end, having a graduated scale marked upon the glass in degrees from 0 near the top to 100 near the swell of the bulb. The bulb will contain three times as much liquor as that portion of the tube which is graduated from 0 to 100.

The tube having been filled with water up to the mark 100, oil shall be added until the tube is filled to the mark 0. The oil and water shall then be thoroughly mingled by violently agitating the contents of the tube. If, after sufficient time has been allowed for the oil to fully separate from the water and resume its position at the top of the tube, the scale shall show that not more than 10 degrees or 1 per cent of the oil has disappeared or been dissolved in the water the oil shall be

passed as merchantable—that is to say, containing so minute a quantity of alcoholic spirits as not to be profitably recovered by distillation, but if over 10 degrees of oil disappears the oil will not be considered as sufficiently purified, and can not be removed in that condition.

The cask containing oil fit for removal shall be marked by the distiller with his name and the number of the district, as in the case of a package of distilled spirits, and in addition with the name of its contents, in distinct and easily legible letters, and the date of removal.

When the examination is made by a deputy collector, he and the storekeeper will immediately make report to the collector, stating the date of their attendance, the quantity inspected, the percentage of loss upon test with water, and the quantity fit for removal.

The storekeeper will note upon Form 88, for the month, the quantity of oil removed during the month, and the percentage of loss shown upon test.

Collectors will bear in mind that fusel oil is not obtained in any considerable quantities except in distilleries having an alcohol column, or other apparatus for redistillation of high-proof spirits; and also that not more than 1 gallon of oil is produced from each 300 bushels of grain mashed, and that not more than 1 gallon of pure oil will ordinarily be accumulated for each 2,000 proof gallons of alcohol produced; and they will carefully note applications for removal of this oil in connection with the quantities of grain which have been used, and of alcohol produced by the distiller.

The water used for washing or purifying the oil in the tanks or tubs may be run into the low-wine tub, or into the sewer, or may be otherwise destroyed, as the distiller may prefer.

REMOVING DISTILLED WATER FROM DISTILLERY PREMISES.

Distilled water must under no circumstances be drawn off in the cistern room, nor removed through the warehouse, and all such water when drawn off must be inspected by the storekeeper, who will also supervise its removal, and make an entry in some portion of Record No. 17, not otherwise used, of the date of removal, the number of barrels removed, and of the names of the persons to whom sent.

MASH, WORT, OR WASH.

No mash, wort, or wash fit for distillation or for the production of spirits or alcohol can lawfully be made or fermented in any building, or on any premises, other than a distillery duly authorized according to law, except for the manufacture of fermented liquors, or for the manufacture of vinegar, as provided by section 3282, Revised Statutes, as

amended by section 5 of the act of March 1, 1879, and no mash, wort, or wash so made and fermented can be sold or removed from any distillery before being distilled; and no person, other than an authorized distiller, can, by distillation, or by any other process, separate the alcoholic spirits from any fermented mash, wort, or wash, and no person can use spirits or alcohol, in manufacturing vinegar, or any other article, or in any process of manufacture whatever, unless the spirits or alcohol so used shall have been produced in an authorized distillery, and the tax thereon paid.

NO OTHER BUSINESS TO BE DONE IN A DISTILLERY.

The use of any still, boiler, or other vessel for the purpose of distilling is forbidden (section 3266, Revised Statutes) in any dwelling house, shed, yard, or inclosure connected therewith, or on board of any vessel or boat, or in any building or on any premises where beer, lager beer, ale, porter, or other fermented liquors, vinegar, or either, are manufactured or produced, or sugars or sirups are refined, or liquors of any description are retailed, or *where any other business is carried on*, or within 600 feet in a direct line of any premises authorized to be used for rectifying. The only exceptions are the manufacture of saleratus and the grinding of meal or flour from grain to be used only for distillation on the premises. Where there are grist mills adjoining a distillery they must be so entirely separated by solid walls and otherwise as to be in fact independent premises, although both establishments may be driven by the same power; in which case an opening will be permitted in the separating wall sufficient for the passage of a steam pipe or shaft, or both. They must be so arranged that the description of the distillery premises on Form No. 27*a* does not include the mill.

OFFICERS' RIGHT OF ENTRY.

Any revenue officer or agent (section 3276, Revised Statutes, as amended) may at all times, as well by night as by day, enter any distillery or building or place used for the business of distilling, or used in connection therewith for storage or other purposes, and, if not admitted upon demand, having declared his name and office, he may break open any doors or windows, or break through any of the walls of such premises necessary to be broken to enable him to enter.

Any officer or agent (section 3286, Revised Statutes, as amended) may require the water in any worm tub to be drawn off and the tub and worm cleansed at any time when the still is not at work, and the water must be kept out of the worm tub for two hours, or until the officer has finished his examination.

Section 3278, Revised Statutes, provides that it shall be lawful for any internal-revenue officer and any persons acting in his aid to break up the ground on any part of a distillery or premises of a distiller or rectifier, or any ground adjoining or near any such distillery or premises, or any wall or partition thereon or belonging thereto, or other place, to search for any pipe, private conveyance, or utensil, and upon finding any pipe or conveyance leading from or to the distillery premises, to break up any ground, house wall, or other place through or into which such pipe or conveyance leads, and to break or cut away such pipe.

MASHING, DISTILLING, AND REMOVAL OF SPIRITS PROHIBITED IN THE ABSENCE OF STOREKEEPER.

The special attention of officers and distillers is directed to the penalties imposed in section 3284, Revised Statutes, for mashing, distilling, or removing spirits in the absence of the storekeeper, or person designated to act as storekeeper. Any mashing or distilling at any time when the storekeeper is not present is prohibited. It is the duty of all officers, and especially of collectors, to see that this law is obeyed, and its violation noted and properly punished.

SUNDAYS.

No malt, corn, grain, or other material (section 3283, Revised Statutes, can lawfully be mashed, nor any wash, wort, or beer brewed or made, nor any still used by a distiller at any time between the hours of 11 in the afternoon of Saturday and 1 in the forenoon of the next succeeding Monday, under penalty of $1,000 for each offense.

ASSISTANCE TO BE FURNISHED.

Section 3277, Revised Statutes, provides that on demand of any internal-revenue officer or agent, every distiller or rectifier shall furnish convenient ladders to enable the officer or agent to examine any vessel or utensil in his distillery, or premises, and shall furnish all assistance, lights, tools, or other things necessary for inspecting the premises, and shall open all doors, boxes, packages, and all casks, barrels, and other vessels not under the control of the internal-revenue officer in charge thereof.

Section 3286, Revised Statutes, provides that whenever any internal-revenue officer or agent requires the water contained in any worm tub in a distillery, at any time when the still is not at work, to be drawn off and the worm cleansed, the water shall forthwith be drawn off and the tub and worm cleansed by the distiller or his workmen accordingly,

and the water shall be kept and continued out of such worm tub for the period of two hours, or until the officer has finished the examination thereof.

NO DISTILLERY ALLOWED TO RUN WITHOUT COMPLIANCE WITH REGULATIONS.

Under no circumstances must a distillery be allowed to run until all the requirements of the law and regulations have been complied with; and any distillery found running without such compliance must be immediately stopped.

Collectors should instruct their deputies to visit the distilleries in their district as often as possible, and at other than stated intervals, and at such visits deputy collectors should carefully examine the distiller's yeasting book and the record of the storekeeper in order to determine whether such books are correctly kept, and whether the fermenting tubs have each been emptied at or before the end of the fermenting period, and if emptied before the end of the period if they have remained empty and open until the end of the period; that the mash has been made of the consistency on which the surveyed capacity is based; that the tubs have not been filled above the dry inches allowed for fermentation. They should also see that the distillation of each day has been run into its appropriate cistern, and that the gauger inspects each package of spirits separately.

REVENUE OFFICERS NOT TO BE INTERESTED IN DISTILLING, ETC.

No internal-revenue officer can be interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, or in the production, rectification, or redistillation of distilled spirits, under the penalties imposed by section 3168, Revised Statutes.

CONCERNING LOCKS AND SEALS.

Under the provisions of sections 3267, 3270, and 3310, Revised Statutes, the Commissioner of Internal Revenue is authorized to procure all locks and seals required to be used at distilleries and distillery warehouses at the expense of the United States; and to require to be put on any of the stills, tubs, cisterns, pipes, or other vessels such fastenings, locks, or seals as he may deem necessary.

In the exercise of the authority thus conferred, collectors are hereby directed to occasionally examine the distilleries and distillery warehouses in operation in their districts, and determine whether or not they are fully supplied with locks, and if the same are in good condition.

In making this examination they will bear in mind that locks are required upon all openings in the distilling apparatus by which access may be had to the spirits while in transit from the still to the receiving cisterns; upon all caps or covernings of manholes or other openings of copper stills or doublers; upon all openings or hoppers through which the meal is conveyed to the mash tubs; upon the faucets and all openings of the receiving cisterns; upon the door of the receiving room; upon the door of the distillery warehouse; upon the door of the meal or grain room; upon the valve in the pipe which conveys steam to the still, which must be closed and locked when distilling operations cease for the day, or whenever there is a temporary or permanent discontinuance of distilling.

The door of the furnace of every still or boiler used in any distillery is required by section 3269, Revised Statutes, to be so constructed that it may be securely fastened and locked; and under the provisions of section 3310, Revised Statutes, it is required that locks shall be placed upon the furnace doors while the distillery is under suspension, which doors shall then be locked with locks used elsewhere while the distillery is in operation, to be taken from such points as may be designated by the collector, and delivered to the deputy collector by the storekeeper for that purpose.

All openings found in the distilling apparatus by which access may be had to the spirits while in transit which are not absolutely necessary, and which can be permanently closed without injury to the distiller, will be closed in such manner and without the use of locks. Where the meal hoppers, or openings through which the meal is conveyed to the mash tubs, are so situated that by aid of a bar or chain they may be closed so as to be under the control of the storekeeper with one lock, such bar or chain will be procured and used instead of using a lock to each hopper or opening.

All openings in cistern rooms and in distillery warehouses, except one door for each, must be securely barred upon the inside.

The only lock to the warehouse door must be the Government lock, the key of which must at all times be in charge of the storekeeper.

Collectors are instructed to forward a requisition for the locks required for use at a distillery about to commence operations at the same time the application for a warehouse is forwarded, and in making up the same care will be taken to state definitely—(1) the name of the distiller or distillery; (2) the whole number of locks required; (3) the precise place or part of the apparatus upon which each lock is to be used; and such requisition will be filled as soon as the warehouse is

approved by this office, provided the foregoing requirements are fully complied with. Any locks heretofore prescribed and in good condition may be used.

In case any Government lock becomes defective or broken it should be returned to this office by mail, at merchandise rates, and at the same time a letter of transmittal should be forwarded, informing this office that such lock had been returned, giving the kind and number of the same, and also stating the manner in which it became defective or broken, and upon its receipt a new one will be sent to replace it if required.

Collectors will be supplied with seal locks and seals for use on the warehouse and cistern-room door only.

The Slaight seal lock having been adopted for use in the Internal-Revenue Service, is issued for use on the doors of cistern rooms or warehouses. Seals will be furnished with the Slaight lock, in sheets of fifty-four seals each, upon applications made in the usual forms, which seals shall be used in consecutive order. The Canton seal locks now in use will be continued in service, and seals will be furnished for such locks as heretofore, and when they become wornout, broken, or otherwise unfit for use, the Slaight seal lock will be issued to replace such unserviceable locks.

The lock is constructed with a clasp attached thereto, with a blind hinge at the bottom, and opening downward.

This clasp when open discloses an indentation in the face of the lock surrounding the keyhole and made to receive the seal. The lock being unlocked, and the hasp open, the seal will be placed in the indentation made for its reception, and the seal clasp shut, and the hasp pushed downward into the lock, locking the lock with a spring and the seal clasp at one and the same motion and time.

The seals being numbered consecutively, care will be taken to use them in the order in which they are numbered, using the lowest number first.

In cases where locks are required to be opened several times a day, the seal will not be inserted until the lock is closed for the night, unless the officer having the lock in charge should have occasion to absent himself from the distillery premises during the day.

For securing portions of the distillery premises other than the doors of cistern rooms and distillery warehouses suitable plain locks will be furnished.

All Government locks when not required for use at distilleries will be retained in the possession of the collector of the district or one of his deputies.

Gaugers, storekeepers, and storekeepers and gaugers, are strictly prohibited from intrusting locks, keys, or seals in their charge to any person other than an internal-revenue officer entitled to receive the same, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.

Violation of these instructions will be deemed sufficient cause for removal from office.

Receipts will be taken by collectors from the storekeepers, gaugers, and storekeepers and gaugers for all locks and seals placed in their charge. These officers will also be required to render to collectors a monthly report of seals on Form 145.

Collectors will be held accountable for the Government locks supplied upon their respective requisitions, and for those received from their predecessors in office. Outgoing collectors will take receipts from their successors in office for the Government locks then in the district.

On the first days of January, April, July, and October, or within ten days thereafter, collectors will render to this office a report on Form 152 showing the number, kind, and location of the Government locks and seals in their respective districts, specifying in each instance whether the locks are in use or not. Each report will also exhibit the whole number of Government locks and seals on hand at date of last report, and the number received since.

Collectors are instructed, when the supply of paper seals has become nearly exhausted, to make requisition for a number of such seals sufficient to meet the wants of the district for six months, stating the number of seal locks in service in the district at the time of making such requisition.

Section 3268, Revised Statutes, provides that "Every person who destroys, breaks, injures, or tampers with any lock or seal which may be placed on any cistern room or building by the duly authorized officers of the revenue, or opens said lock or seal, or the door to said cistern room or building, or in any manner gains access to the contents therein, in the absence of the proper officer, shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than one year nor more than three years."

Section 3311, Revised Statutes, provides that every person who breaks, injures, or in any manner tampers with any lock, seal, or other fastening applied to any furnace, still, or fermenting tub, or other vessel, in pursuance of the provisions of law, or who opens or attempts to open any door, tub, or other vessel, which is locked or sealed, or otherwise closed or fastened as herein provided, or who uses any furnace, still, or fer-

menting tub or other vessel, which is so locked, sealed, or fastened, shall be deemed guilty of a felony, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned for not less than one year nor more than three years.

ENTRIES FOR DEPOSIT AND WAREHOUSING BONDS.

Section 4 of the act of May 28, 1880, amends section 3293 of the Revised Statutes of the United States, as amended by an act entitled "An act to amend the laws relating to internal revenue," approved March 1, 1879, by striking out all after the said number and substituting therefor the following:

The distiller or owner of all spirits removed as aforesaid to the distillery warehouse shall, on the first day of each month or within five days thereafter, enter the same for deposit in such warehouse, under such regulations as the Commissioner of Internal Revenue may prescribe. Said entry shall be in triplicate, and shall contain the name of the person making the entry, the designation of the warehouse in which the deposit is made, and the date thereof, and shall be in the following form:

"*Entry for Deposit in Distillery Warehouse.*

"Entry of distilled spirits deposited by ——— ———, in distillery warehouse ———, in the ——— district, State of ———, during the month ending on the ——— day of ———, anno Domini ———."

And the entry shall specify the kind of spirits, the whole number of packages, the marks and serial numbers thereon, the number of gauge or wine gallons, proof gallons, and taxable gallons, and the amount of tax on the spirits contained in them; all of which shall be verified by the oath of the distiller or owner of the same attached to the entry. The said distiller or owner shall at the time of making said entry give his bond in duplicate, with one or more sureties, satisfactory to the collector of the district, conditioned that the principal named in said bond shall pay the tax on the spirits as specified in the entry, or cause the same to be paid, before removal from said distillery warehouse, and within three years from the date of said entry; and the penal sum of such bond shall not be less than the amount of the tax on such distilled spirits. One of said entries shall be retained in the office of the collector of the district, one sent to the storekeeper in charge of the warehouse, to be retained and filed in the warehouse, and one sent with duplicate of the bond to the Commissioner of Internal Revenue, to be filed in his office.

A new bond shall be required in case of the death, insolvency, or removal of either of the sureties, and may be required in any other contingency affecting its validity or impairing its efficiency, at the discretion of the Commissioner of Internal Revenue. And in case the distiller or owner fails or refuses to give the bond hereinbefore required, or to renew the same, or neglects to immediately withdraw the spirits and pay the tax thereon, or if he neglects to withdraw any bonded spirits and pay the tax thereon before the expiration of the time limited

in the bond, the collector shall proceed to collect the tax by distraint, issuing his warrant of distraint for the amount of the tax found to be due, as ascertained by him from the report of the gauger if no bond was given, or from the terms of the bond if a bond was given. But this provision shall not exclude any other remedy or proceeding provided by law.

If it shall appear at any time that there has been a loss of distilled spirits from any cask or other package hereafter deposited in a distillery warehouse, other than the loss provided for in section thirty-two hundred and twenty-one of the Revised Statutes of the United States, as amended, which, in the opinion of the Commissioner of Internal Revenue, is excessive, he may instruct the collector of the district in which the loss has occurred to require the withdrawal from warehouse of such distilled spirits, and to collect the tax accrued upon the original quantity of distilled spirits entered into the warehouse in such cask or package, notwithstanding that the time specified in any bond given for the withdrawal of the spirits entered into warehouse in such cask or package has not expired. If the said tax is not paid on demand the collector shall report the amount due upon his next monthly list, and it shall be assessed and collected as other taxes are assessed and collected.

That the tax on all distilled spirits hereafter entered for deposit in distillery warehouses shall be due and payable before and at the time the same are withdrawn therefrom and within three years from the date of the entry for deposit therein; and warehousing bonds hereafter taken under the provisions of section thirty-two hundred and ninety-three of the Revised Statutes of the United States shall be conditioned for the payment of the tax on the spirits as specified in the entry before removal from the distillery warehouse, and within three years from the date of said bonds. (See pp. 121 and 122, Compilation of Internal-Revenue Laws of 1889.)

Entries for deposit made under the provisions of law above quoted will be prepared in triplicate on Internal-Revenue Form 240 and in accordance with the instructions printed thereon. Those to be forwarded to the Commissioner of Internal Revenue should be forwarded with the Bonded Distilled Spirits Account, Form 94*a*.

The bonds required under the same statute (section 3293, Revised Statutes, as amended) will be made on Internal Revenue Form 80, and in accordance with instructions printed thereon.

The attention of collectors is especially called to the requirements of the law respecting the time in which warehousing bonds are to be given, as to the giving of new bonds in case of death, insolvency, or removal of the sureties to the original bonds, and as to the mode of procedure in case of failure or neglect on the part of the distiller or owner of the spirits to comply with these requirements of the law. Collectors will be held liable on their official bonds for any and all losses to the United States occasioned by want of diligence on their part in securing and preserving good and sufficient warehousing bonds.

Warehousing bonds, Form 80, will be forwarded to the Commissioner of Internal Revenue with the Bonded Distilled Spirits Account, Form 94*a*, for the month in which the spirits covered by the bonds are produced. When put up to be so forwarded, they will be arranged according to the numbers of the distilleries, the lowest number to be at the top and the highest at the bottom of the package, which should be carefully tied.

The tax on the spirits covered by a warehousing bond is assessable when it becomes due through a breach of the bond. It is deemed advisable, in case the tax becomes due, to assess and collect it by distraint if necessary, on the property of the distiller, and especially on the spirits themselves, and to place the bond in suit only after proceedings by assessment and distraint have failed to secure the tax. If such failure should occur, the collector will immediately notify the Commissioner of Internal Revenue of the fact, stating in his letter of notification the character of the sureties on the bond, also his opinion as to the probability of securing the tax by suit on the bond, and requesting instructions as to bringing the suit. If the bond is found to be not a good one, he will state the reason why. He will also state when the bond was discovered to be not good or efficient, and what steps were taken by him to secure a new bond, as provided by section 3293, Revised Statutes, as amended.

WITHDRAWALS OF SPIRITS FROM DISTILLERY WAREHOUSES OR SPECIAL BONDED WAREHOUSES UPON PAYMENT OF THE TAX.

Section 3294 of the Revised Statutes, as amended by section 5 of the act of March 1, 1879, and by section 5 of the act of May 28, 1880, reads as follows:

Any distilled spirits may, on payment of the tax thereon, be withdrawn from warehouse on application to the collector of the district in charge of such warehouse, on making a withdrawal entry in duplicate and in the following form:

"*Entry for withdrawal of distilled spirits from warehouse.*

"TAX-PAID.

"Entry of distilled spirits to be withdrawn, on payment of the tax from warehouse of distillery number ———, situated in the ——— district of ———, by ——— ———, deposited on the ——— day of ———, anno Domini ———, by ——— ———, in said warehouse."

And the entry shall specify the whole number of casks or packages, with the marks and serial numbers thereon, the number of gauge or wine gallons and of proof gallons and taxable gallons, and the amount of the tax on the distilled spirits contained in them at the time they

were deposited in the distillery warehouse; and said entry shall also specify the number of gauge or wine gallons and of proof gallons and taxable gallons contained in said casks or packages at the time application shall be made for the withdrawal thereof; and on payment of the tax the collector shall issue his order to the storekeeper in charge of the warehouse for the delivery. One of said entries shall be filed in the office of the collector, and the other transmitted by him to the Commissioner of Internal Revenue.

Section 17 of the act of May 28, 1880, provides that—

Whenever the owner of any distilled spirits shall desire to withdraw the same from the distillery warehouse, or from a special bonded warehouse, he may file with the collector a notice giving a description of the packages to be withdrawn, and request that the distilled spirits be regauged; and thereupon the collector shall direct the gauger to regauge the same, and mark upon each package so regauged the number of gauge or wine gallons and proof gallons therein contained.

If upon such regauging it shall appear that there has been a loss of distilled spirits from any cask or package, without the fault or negligence of the distiller or owner thereof, taxes shall be collected only on the quantity of distilled spirits contained in such cask or package at the time of the withdrawal thereof from the distillery warehouse, or special bonded warehouse: *Provided, however*, That the allowance which shall be made for such loss of spirits as aforesaid shall not exceed one proof gallon for two months, or part thereof, one and one-half gallons for three and four months, two gallons for five and six months, two and one-half gallons for seven and eight months, three gallons for nine and ten months, three and one-half gallons for eleven and twelve months, four gallons for thirteen, fourteen, and fifteen months, four and one-half gallons for sixteen, seventeen, and eighteen months, five gallons for nineteen, twenty, and twenty-one months, five and one-half gallons for twenty-two, twenty-three, and twenty-four months, six gallons for twenty-five, twenty-six, and twenty-seven months, six and one-half gallons for twenty-eight, twenty-nine, and thirty months, seven gallons for thirty-one, thirty-two, and thirty-three months, and seven and one-half gallons for thirty-four, thirty-five, and thirty-six months: *Provided, also*, That the foregoing allowance of loss shall apply only to casks or packages of a capacity of forty or more wine gallons, and that the allowance for loss on casks or packages of less capacity than forty gallons shall not exceed one-half the amount allowed on said forty-gallon cask or package; but no allowance shall be made on casks or packages of less capacity than twenty gallons: *And provided further*, That the proof of such distilled spirits shall not in any case be computed at the time of withdrawal at less than one hundred per cent.

The form of entry for withdrawal, notice, and request of owner, the collector's order to the gauger, the order of the collector to the storekeeper to deliver the tax-paid spirits, and the storekeeper's statement of the date of the actual withdrawal, are for convenience printed on one sheet of paper, known as Form No. 179.

The notice and request (1) of the owner that the spirits be regauged will be executed in duplicate, and the order (2) of the collector to the

gauger, the report (3) of the gauger, the entry for withdrawal, (4) the order (5) of the collector to the storekeeper, and the report (6) of the storekeeper of the delivery of the spirits will all also be executed in duplicate and in the order just stated.

The tax will be paid when the entry for withdrawal is made.

The entry for withdrawal, the order of the collector to the storekeeper, and the storekeeper's statement of the date of withdrawal are the only papers on Form 179 to be filled out when the withdrawal is made without a regauge, the tax being paid upon the quantity as shown by the original gauge.

When the spirits are withdrawn, tax-paid, the gauger will deliver a report to the storekeeper. The report will be on Form 176 if the spirits are regauged, and on Form 59*a* if not regauged.

When the spirits are regauged the gauger will at the time the regauge is made deliver to the collector two reports for the use of the Government on Form 59, one to be retained by the collector and the other forwarded to the "Commissioner for review."

WITHDRAWAL FROM DISTILLERY WAREHOUSES AND SPECIAL BONDED WAREHOUSES WITHOUT PAYMENT OF TAX.

For forms of bonds and other papers and instructions relative to the withdrawal of spirits from the distillery warehouses and special bonded warehouses without payment of the tax for exportation, also for transfer to manufacturing warehouses, see Regulations, Series 7, No. 4, revised.

For instructions relative to the withdrawal of spirits from distillery warehouses free of tax for the use of the United States, and of alcohol for use in chemical laboratories of scientific institutions or colleges, or for preserving specimens of anatomy, physiology, or natural history belonging to such institutions or colleges, see Regulations of the Secretary of the Treasury in the appendix to these Regulations.

This office is of the opinion that the expression "scientific institution or college of learning," in section 3297, Revised Statutes, and the phrase "scientific university or college or learning" in the amendatory act of March 3, 1878, refer to educational institutions where instruction is given in chemistry and other sciences in which the alcohol is needed for use in the restricted manner provided by law. Evidence as to the educational feature of the institution must be furnished before the bond offered by it or on its behalf will be approved.

ASSESSMENTS FOR DEFICIENCIES AND FOR EXCESS OF MATERIAL USED.

Under the provisions of sections 3182, Revised Statutes, and 3309, Revised Statutes, as amended, it becomes the duty of the Commissioner

of Internal Revenue to make the inquiries, determinations, and assessments against distillers imposed by section 3309, Revised Statutes, as amended; and in order that there may be no unnecessary delay in making such assessment, collectors are hereby instructed to take such steps as will secure the forwarding of the distiller's return on Form 14, and the storekeeper's abstract on Form 88, within the time prescribed by law, which reports should be carefully examined by the collector in order to satisfy himself that they are correct. In case of a grain or molasses distiller, the first point to be determined is whether the distiller has accounted for all the grain or molasses used and the spirits produced by him during the preceding month, which will be determined from the returns of the distiller on Form 14, the abstract of the storekeeper on Form 88, and any other available evidence. The next point to be determined is the 80 per cent of the producing capacity of the distillery for the month. This will be found by multiplying the number of gallons fixed by the survey as the product for twenty-four hours by the number of days on which the distillery was in operation during the month, or under the law was deemed to be in operation. Eighty per cent of this product is 80 per cent of the capacity as determined by the survey.

In making this computation particular attention will be paid to changes in capacity resulting from opening or closing tubes. (See instructions under head "Changes in capacity," p. 49.)

If the 80 per cent exceeds the reported product, then an assessment must be made for the balance. If the amount actually produced is found to be correctly reported, and the amount so reported is less than 80 per cent of the capacity as determined from the survey, the difference between the reported product and 80 per cent will be assessed. On this point the law is imperative. But if the amount actually produced and reported equals or exceeds the 80 per cent, no assessment is to be made. Where, however, it is found that the distiller has actually produced more than he has reported or accounted for, and this amount exceeds the 80 per cent, the assessment is to be made upon the difference between the amount so found and the reported product, even though the reported product exceeds the 80 per cent, because the distiller should pay upon all the spirits produced by him.

Suppose the actual product is found to be 5,000 gallons; reported product 5,000 gallons; 80 per cent of capacity 6,000 gallons; the distiller would be assessed upon 1,000 gallons as a deficiency.

Suppose, however, the actual product is found to be 6,500 gallons; reported product 5,000 gallons; 80 per cent of capacity 6,000 gallons;

the difference between the reported product and 80 per cent is 1,000 gallons, but between the reported product and actual product is 1,500 gallons, upon which last amount the assessment will be made.

When the difference between the actual product and the reported product is greater than the difference between the 80 per cent and the reported product, the assessment will be upon the former quantity. When the reported product equals or exceeds the 80 per cent, but is less than the actual product, as above found, the assessment will be made upon the difference between the actual and reported product. But if in any case the actual product and the reported product are each less than the 80 per cent the assessment must be made for the difference between the reported product and the 80 per cent.

The next point to be determined is whether the distiller has used any grain or molasses in excess of the capacity of the distillery.

In making this inquiry and determination, the quantity of grain or molasses used will be ascertained from the distiller's return, the storekeeper's monthly abstract on Form No. 88, and such other evidence as is available; the quantity of grain or molasses, in bushels and pounds or gallons, on hand in mash at the beginning of the month, will be added to that put into mash during the month, and from the total will be deducted the quantity on hand in mash at the end of the month, and, in computing the bushels of grain or gallons of molasses used from the gallons of mash or beer brewed or fermented, the same course will be pursued, namely, the mash or beer on hand at the beginning of the month will be brought forward, and added to the production of the month, and the quantity on hand at the end of the month will be deducted therefrom; and the remainder only, in either case, will be considered as the quantity of material *used* during the month.

Under this rule the material distilled during the month, being the sum of the various quantities distilled on the several working-days of the month, is held to be the quantity of material *used* during the month.

The total capacity of the distillery for the month (expressed in bushels of grain or gallons of molasses, as the case may be) is the sum of the different daily capacities of the distillery for the several working-days of the month.

The inquiry and determination as to the excessive use of material which the Commissioner is required by law to make is not a matter of discretion, but rests solely in computation, and consists in an arithmetical comparison of the quantity of material so found to have been used with the total capacity of the distillery for the month in question.

It will be observed that if the capacity of the distillery on each working-day has been exactly equal to the material used—that is, *distilled*

on that day—then the total capacity will equal the total material used, and no excess of material will be found; but if the capacity has on any day or days been less than the quantity of material used—that is, *distilled* on such day or days—then, unless there has been a corresponding and equal overplus of capacity on some other day or days of the same month, the total capacity will not equal the total material used, and an excessive use of material will be found, for which the statute requires an assessment to be made.

It will be observed that unless the aggregate capacity for the month equals the total material distilled during the month, an excess of material used must result, and be followed by an assessment equal to the tax on the spirits that should be produced from the quantity of grain used in excess of the capacity of the distillery for such month.

When a change is made in the *kind* of material used, the change of capacity resulting therefrom will be deemed to take place on the day when the new material is distilled, so that the material and capacity may balance each other.

Section 3264, Revised Statutes, as amended, provides that 45 gallons of mash or beer brewed or fermented from grain (except in sour-mash distilleries) shall represent *not less* than 1 bushel of grain, and 7 gallons of beer or mash brewed or fermented from molasses shall represent not less than 1 gallon of molasses. The gallons of mash or beer reported as used, if brewed from grain, will be divided by 45, or if brewed from molasses by 7, or by such less number as shall be taken in the survey to represent a bushel of grain or a gallon of molasses. If the grain or molasses is correctly reported, this quantity in bushels or gallons should not exceed the surveyed capacity of the distillery in use during the preceding month. If it exceeds the capacity in bushels of grain, or gallons of molasses (as the case may be), the quantity used in excess will be shown by the above computation. In determining the quantity of grain used, 56 pounds will be accounted as a bushel. The excess in bushels of grain or gallons of molasses having been determined as above, an assessment will be made against the distiller for the number of proof gallons of spirits that should have been produced from the grain or molasses used in excess of capacity.

Under the statute as construed by the United States Supreme Court, in the case of Stoll *et al. v.* Pepper, the following is the correct mode of computing the tax on distilled spirits in cases where grain or molasses is used in excess of the quantity allowed by the survey.

First. Divide the whole number of gallons of the reported product of the month by the whole number of bushels of grain used during the month. The quotient, so found, will show the reported product of

each and every bushel of such grain. Then multiply that quotient, *i.e.* the reported product of 1 bushel, by the number of bushels of grain allowed by the survey. The result will show the reported product of all the grain so allowed. If that reported product equals or exceeds 80 per cent of the surveyed capacity of the distillery, and the entire actual product has been reported, there exists no liability to assessment for or on account of the grain used under the survey. But if that reported product is less than 80 per cent of such capacity there is liability to an assessment for the deficiency.

Second. If the reported product per bushel, found as above, is less than the full statutory estimate of the producing capacity per bushel, multiply the number of bushels of grain used in excess of the surveyed capacity by the difference between such reported product and such statutory estimate. The result will show the quantity upon which an assessment is to be made for and on account of the grain used in excess.

The legal tax will thus be realized: (1) Upon the entire actnal product of the grain used under the survey, but in no case on less than 80 per cent of the surveyed capacity; and (2) upon the entire actual product of the grain used in excess of the survey, but in no case on less than 100 per cent of the statutory estimate of the producing capacity of the grain so used.

The foregoing rule applies equally to molasses distilleries, gallons of molasses being substituted for bushels of grain.

Suppose, for example, the surveyed capacity for the time reported to be 300 bushels of grain, and 80 per cent of the spirit-producing capacity to be 960 gallons of spirits; the full statutory estimate per bushel of grain, in the survey to be 4 gallons; the mash or beer used 15,750 gallons, the number of bushels of grain reported 300, and the spirits reported produced 875 gallons. The excess of grain used will be found by dividing 15,750 by 45 (or by such other number as shall be taken in the survey to represent a bushel of grain), which will give 350 bushels, or an excess of 50 bushels. Dividing the reported product, 875 gallons by 350, the bushels of grain used, shows the reported product of each bushel to be 2.50 gallons; this multiplied by 300, the number of bushels of grain allowed by the survey, shows the reported product of all the grain allowed by the survey to be 750 gallons. As this reported product is less than 80 per cent of the surveyed capacity, the difference, 210 gallons, is the quantity to be assessed as a deficiency.

The difference between the reported product of each bushel, 2.50 gallons and 4 gallons, the statutory estimate, is 1.50 gallons; this multiplied by 50, the grain used in excess, gives 75 gallons, the quantity upon which an assessment is to be made on account of such excess.

STATUTORY RELIEF IN CASE OF ASSESSMENTS PROPOSED OR MADE UNDER SECTION 3309, REVISED STATUTES.

ASSESSMENTS FOR DEFICIENCIES AND EXCESS OF MATERIAL USED.

Section 6 of the act of March 1, 1879, besides amending section 3221, Revised Statutes, in the manner hereinbefore stated, contains the following provisions:

That whenever, under the provisions of section thirty-three hundred and nine of the Revised Statutes, an assessment shall have been made against a distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law, or for the tax upon the spirits that should have been produced from the grain, or fruit, or molasses found to have been used in excess of the capacity of his distillery for any month, as estimated according to law, such excessive use of grain, or fruit, or molasses having arisen from a failure on the part of the distiller to maintain the capacity required by law to enable him to use such grain, or fruit, or molasses without incurring liability to such assessment, and it shall be made to appear to the satisfaction of the Commissioner of Internal Revenue that said deficiency, or that said failure, whereby such excessive use of grain, molasses, or fruit arose, was not occasioned by any want of diligence or by any fraudulent purpose on the part of the distiller, but from misunderstanding as to the requirements of the law and regulations in that respect or by reason of unavoidable accidents, then, and in such case, the Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized, on appeal made to him, to remit or refund such tax, or such part thereof as shall appear to him to be equitable and just in the premises: *Provided*, That no tax shall be remitted or refunded under the provisions of this section upon any assessment made prior to January first, eighteen hundred and seventy-four: *Provided further*, That no assessments shall be charged against any distiller of fruit for any failure to maintain the required capacity, unless the Commissioner shall, within six months after his receipt of each monthly report, notify such distiller of such failure so to maintain the required capacity.

It will be observed that the above-quoted portions of section 6, except the last proviso thereof, confer authority, under certain conditions, upon the Commissioner of Internal Revenue to abate or refund certain taxes assessed under the provisions of section 3309, Revised Statutes. They are, however, inserted in this connection, inasmuch as the authority conferred upon the Commissioner to abate or refund a tax already assessed would appear, without express provision to the contrary, to afford him the necessary authority to refrain from an assessment under a like state of facts.

In order, therefore, that the Commissioner may be placed in possession of all the essential facts in case of any proposed assessment under section 3309, the collector will, unless the interests of the Government

shall require an immediate assessment, upon receipt from the Commissioner of a list (Form 246) of such proposed assessments, notify the distiller against whom the assessment is contemplated, and afford him an opportunity to point out any error in computation which he may discover, and also to furnish evidence that the use of grain, fruit, or molasses by the distiller in excess of the capacity of the distillery has arisen from a failure on the part of the distiller to maintain the capacity required by law, and that the deficiency in production or the failure to maintain the capacity, as the case may be, was not occasioned by any want of diligence or by any fraudulent purpose on the part of the distiller, but was the result of a misunderstanding on his part as to the requirements of the law and regulations in that respect, or was occasioned by an unavoidable accident.

In case such evidence, sufficient to satisfy the Commissioner that such deficiency or failure to maintain the capacity was occasioned by a misunderstanding of the law or regulations, or by an unavoidable accident, and not by any want of diligence or fraudulent purpose of the distiller, is forwarded to the Commissioner within thirty days after Form 246 is transmitted to the collector, the assessment will be omitted; otherwise the assessment will be made on the next ensuing monthly list, provided such satisfactory evidence is not received in time for consideration prior to the day on which such list is made up and forwarded to the collector. Such evidence, received after the expiration of the thirty days, if not received in time to be considered before the list is forwarded to the collector, will be considered in connection with any claim for abatement (Form 47) or refund (Form 46) which may be subsequently forwarded by the distiller through the collector. The evidence furnished by the distiller must be in the form of affidavits, and must be taken under the conditions prescribed by Circular No. 317, and must be accompanied by the sworn statement of the storekeeper and gauger on duty at the distillery during the month in which the deficiency in production or excessive use of material occurred.

In case it is claimed that such deficiency or excess was occasioned by reason of unavoidable accident, the storekeeper and gauger will, if cognizant of the facts, state (1) the nature and origin or cause of the accident and the circumstances connected with the same; (2) what efforts were made by the distiller and his employés or agents at the time of the accident to prevent its occurrence; and (3) what precautions were taken by the distiller, his employés or agents, prior to the accident, to guard against its occurrence, and (4) whether the accident was in any way attributable to any want of care, caution, attention, dili-

gence, skill, discretion, or by fraudulent purposes on the part of the distiller or any of his employés or agents. The affidavits of the distiller and of others who may testify should also set forth (1) the nature and origin of the accident, and (2) such other facts as will assist the Commissioner in determining whether the cause of the deficiency or failure was an accident, and (3) whether occasioned by any fraudulent purpose or want of diligence. If it is claimed that the deficiency or excess was occasioned by misunderstanding on the part of the distiller as to the requirements of the law and regulations, the affiants will testify (1) as to what opportunity the distiller had for information on these points; (2) they will also, in all cases, testify as to what efforts were made by the distiller and his employés and agents to maintain the capacity or to avoid the deficiency (*a*) during the month in which the failure or deficiency occurred, also (*b*) prior to the month in which the failure or deficiency occurred, (3) whether, in their opinion, such deficiency in production or failure to maintain the capacity, whereby the excessive use of material occurred, was occasioned by any want of diligence or by fraudulent purpose on the part of the distiller or his agents or employés; and the collector, in forwarding the evidence to the Commissioner, will also state his opinion on these points, and as to the propriety of omitting to make the assessment, or any part thereof as may appear to him to be equitable and just.

In order to avoid expense and loss of time in the preparation of applications for relief in cases where the applicant is not entitled to relief, collectors will call attention to certain legal constructions which have been placed upon the terms, "accidents," "unavoidable accidents," and "diligence," and which constructions must guide this office in the consideration of such applications, viz:

Accidents.

In determining what shall be considered an accident, it is held that not only will inevitable casualties or acts of Providence, or what may be called irresistible forces, be considered, but such unforeseen events, misfortunes, losses, acts, or omissions, as are not the results of any negligence or misconduct on the part of the distiller or owner of distilled spirits, or their agents or employés.

If the facts relied upon resulted from the operations of nature, they must be something out of the ordinary course of things. It can not be considered an accident that the sun shines, that it rains, snows, freezes, thaws—that a river rises or falls at certain seasons of the year—that water becomes warm in the summer and cold in the winter. If either

of these ordinary processes of nature is adduced as a reason why a tax should be abated, it must affirmatively appear that the change was so sudden and severe that it was out of the ordinary course of events, and, therefore, could not be provided against.

When a case of accident of the above character occurs, the distiller must at once give notice to the collector or deputy collector, so that the facts can be investigated and reported upon, and the immediate action of this office be had upon the question of suspending work.

Unavoidable accidents.

In placing a construction upon the words "*unavoidable accidents,*" as they relate to the operations of distilleries, it will be necessary to consider the facts and circumstances relied upon as grounds of relief in each case. The act of March 1, 1879, requires due diligence on the part of the distiller and his agents and servants, and if the circumstances relied upon were the result of the negligence or misconduct of the distiller, or his agent or servant, he will have no claim to relief.

Diligence.

Diligence is the doing of things in proper time. As the opposite of negligence, it signifies, primarily, care, caution, attention, promptitude, skill, or discretion, in the performance of an act.

RELEASE FROM ASSESSMENTS FOR DEFICIENCIES CAUSED BY DESTRUCTION OF SPIRITS.

Section 6, of the act of March 1, 1879, as amended by section 8 of the act of May 28, 1880, reads as follows:

That whenever, under the provisions of section thirty-three hundred and nine of the Revised Statutes, an assessment shall have been made against a distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law, or for the tax upon the spirits that should have been produced from the grain, or fruit, or molasses found to have been used in excess of the capacity of his distillery for any month, as estimated according to law, such excessive use of grain, or fruit, or molasses having arisen from a failure on the part of the distiller to maintain the capacity required by law to enable him to use such grain, or fruit, or molasses, without incurring liability to such assessment, and it shall be made to appear to the satisfaction of the Commissioner of Internal Revenue that said deficiency, or that said failure, whereby such excessive use of grain, molasses, or fruit arose, was not occasioned by any want of diligence or by any fraudulent purpose on the part of the distiller, but from misunderstanding as to the requirements of the law and regulations in that respect or by reason of unavoidable accidents, then, and in such case, the Commissioner of Internal Revenue, subject to regulations prescribed

by the Secretary of the Treasury, is authorized, on appeal made to him, to remit or refund such tax, or such part thereof as shall appear to him to be equitable and just in the premises. And the Commissioner of Internal Revenue upon the production to him of satisfactory proof of the actual destruction, by accident, fire, or other casualty, and without any fraud, collusion, or negligence of the distiller of any spirits in process of manufacture or distillation, or before removal to the distillery warehouse, shall not assess the distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law when the deficiency is occasioned by such destruction, nor shall he, in such case, assess the tax on the spirits so destroyed: *Provided*, That no tax shall be remitted or refunded under the provisions of this section upon any assessment made prior to January first, eighteen hundred and seventy-four: *Provided further*, That no assessments shall be charged against any distiller of fruit for any failure to maintain the required capacity, unless the Commissioner shall, within six months after his receipt of each monthly report, notify such distiller of such failure so to maintain the required capacity.

The amendment consists in the introduction into the body of the section of the provision directing the Commissioner of Internal Revenue, upon the production to him of satisfactory proof of the actual destruction, by accidental fire or other casualty, and without any fraud, collusion, or negligence of the distiller, of any spirits in process of manufacture or distillation, or before removal to the distillery warehouse, not to assess the distiller for a deficiency in not producing 80 per cent of the producing capacity of the distillery, as established by law, when the deficiency is occasioned by such destruction; also directing the Commissioner, in such case, not to assess the tax on the spirits so destroyed.

The direction to the Commissioner to omit an assessment for a deficiency under the circumstances just stated is coupled with the conditions as to the destruction being accidental and without fraud, collusion, or negligence of the distiller, as in the case of one class of allowances provided for in said section 6, as originally enacted.

RECTIFIERS.

Any person who rectifies, purifies, or refines distilled spirits or wines by any process other than as provided for on distillery premises; and every wholesale or retail liquor-dealer who has in his possession any still or leach tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits, and every person who, without rectifying, purifying, or refining distilled spirits, shall, by mixing such spirits, wine, or other liquor with any materials, manufacture any spurious, imitation, or compound liquor for sale under the name of whisky, brandy, gin, rum, wine, spirits, cordials, wine-bitters, or any other name, is to be regarded as a rectifier and as being engaged in the business of rectifying.

Section 3319, Revised Statutes, declares it to be unlawful for any rectifier, wholesale or retail liquor-dealer to purchase or receive distilled spirits in quantities exceeding 20 gallons from any person not an authorized distiller, rectifier, or wholesale liquor-dealer, except at judicial sales, or sales by an authorized auctioneer.

Section 3317, Revised Statutes, provides that "every person who engages in, or carries on, the business of a rectifier with intent to defraud the United States of the tax on the spirits rectified by him, or any part thereof, or with intent to aid, abet, or assist any person or persons in defrauding the United States of the tax on any distilled spirits, or who shall purchase or receive or rectify any distilled spirits which have been removed from a distillery to a place other than the distillery warehouse provided by law, knowing or having reasonable grounds to believe that the tax on said spirits, required by law, has not been paid, shall, for every such offense, be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than two years."

SIGNS.

Every person engaged in rectifying spirits is required (section 3279, Revised Statutes) to place and keep conspicuously on the outside of his rectifying establishment a sign, exhibiting in plain and legible letters not less than 3 inches in length, painted in oil-colors or gilded, and of a proper and proportionate width, the name or firm of the rectifier with the words, "Rectifier of Spirits."

Rectifiers are prohibited from putting up any sign indicating that they are distillers. Although the lawful sign at a distillery is "Registered distillery," yet it is held that section 3279 prohibits *any sign* being put up which would indicate to the public that the business of distilling may be carried on at a place which is not a lawfully authorized distillery.

RECTIFIERS TO AFFORD FACILITIES FOR EXAMINATION OF PREMISES.

Section 3277, Revised Statutes, provides that on demand of any internal-revenue officer, every rectifier shall furnish convenient ladders to enable the officer to examine any vessel or utensil on his premises, and shall furnish all assistance, lights, tools, or other things necessary for inspecting the premises, and shall open for examination all doors, boxes, packages, and all casks, barrels, and other vessels.

Section 3278 makes it lawful for any internal-revenue officer to break ground on a rectifier's premises, or adjoining thereto, to search for any pipe, private conveyance, or utensil.

BOOK TO BE KEPT BY RECTIFIERS.

Under the provisions of section 3318, Revised Statutes, every rectifier is required to provide a book (Form 52) to be prepared and kept in such form as may be prescribed by the Commissioner of Internal Revenue, and to furnish complete transcripts of the entries therein. (See instructions herein under "Book to be kept by wholesale liquor-dealers and rectifiers.")

PRESCRIBED DISTANCES AS APPLIED TO RECTIFYING ESTABLISHMENTS.

The business of rectifying distilled spirits can not be carried on on any premises distant less than 600 feet in a direct line from a distillery. (Section 3280, Revised Statutes.)

Under the provisions of section 3282, Revised Statutes, as amended, no rectifying house can be permitted within 600 feet of any factory where vinegar is manufactured by the employment of alcoholic vapor, except in cases of vinegar factories established prior to March 1, 1879. (See "Vinegar factories" herein.)

RECTIFIERS' SPECIAL TAX.

Persons rectifying less than 500 barrels a year, counting 40 proof gallons to the barrel, must pay a special tax of $100.

Persons rectifying 500 barrels, and above, a year must pay a special tax of $200.

Any person who shall carry on the business of a rectifier without having paid the special tax as required by law thereby becomes liable (section 3242 *a*) to fine, imprisonment, and forfeiture of property.

The attention of collectors is called in this connection to the provisions of sections 3259 and 3280, Revised Statutes, and especially to the penalty imposed in the last proviso of the third paragraph of section 3244, as amended, which provides that no officer shall collect any special tax for rectifying distilled spirits on any premises distant less than 600 feet in a direct line from any distillery. And every officer who collects any special tax in violation of this *proviso* shall be liable to a penalty of $5,000 for each offense.

The payment of the special tax as a rectifier does not relieve any person from the payment of the special tax as a wholesale liquor-dealer on account of the sales of spirits, whether the same be of his own rectification or otherwise.

LISTS OF RECTIFIERS WHO HAVE PAID SPECIAL TAX TO BE FORWARDED.

Collectors will report to this office on the 1st of *June in each year the names and places of business of all persons who have paid a special tax as rectifiers.

RECTIFIERS' NOTICE—FORM 27 B.

Section 3259, Revised Statutes, provides that every person engaged in, or intending to be engaged in, the business of a distiller or rectifier, shall give notice in writing, subscribed by him, to the collector of the district wherein such business is to be carried on, stating his name and residence, and if a company or firm, the name and residence of each member thereof, the name and residence of every person interested or to be interested in the business, the precise place where said business is to be carried on, and whether of distilling or rectifying; and if such business is carried on in a city, the residence and place of business shall be indicated by the name of the street and number of the building.

In case of a rectifier, the notice shall state the precise place where such business is to be carried on, the name and residence of every person interested or to be interested in the business, the process by which the applicant intends to rectify, purify, or refine distilled spirits, the kind and cubic contents of any still used or to be used for such purpose, the estimated quantity of spirits which can be rectified, purified, or refined every twenty-four hours in such establishment, and that said rectifying establishment is not within 600 feet, in a direct line, of the premises of any distillery registered for the distillation of spirits. In case of any change in the location, form, capacity, ownership, agency, superintendency, or in the persons interested in the business of such distillery or rectifying establishment, or in the time of fermenting the mash or beer, notice thereof, in writing, shall be given to the said collector, or proper deputy collector, of the district within twenty-four hours after such change; and any deputy collector receiving such notice shall immediately transmit the same to the collector of the district. Every notice required by this section shall be in such form, and shall contain such additional particulars, as the Commissioner of Internal Revenue may, from time to time, prescribe. Every person who fails or refuses to give such notice shall pay a penalty of $1,000, and shall be fined not less than $100 nor more than $2,000; and every person who gives a false or fraudulent notice shall, in addition to such penalty or fine, be imprisoned not less than six months nor more than two years.

This notice will be given on Form 27 B in duplicate, by each person or firm before engaging in the business of rectification, and on the first day of *May in each year by those continuing in said business.

Collectors will forward the duplicate notice to the Commissioner of Internal Revenue immediately upon its receipt, and file the original in their offices.

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*Circular No. 336, of May 11, 1891, requires the rectifier's notice, on Form 27 B, to be given on the 1st day of *July* of each year. Accordingly collectors will report to this office the list of rectifiers on the 1st of *August* of each year instead of on the 1st of June, as provided in the text.

Rectifiers having or using any still or distilling apparatus must register the same, as provided in section 3258, Revised Statutes, as well as describe the same on Form 27 B.

Under the head of "Number of leach and mixing tubs, and capacity of each," on this Form, no vessels are to be described, except such as are in the nature of fixtures, or such as are habitually used in the process of rectification.

Where compounding is performed in original packages exclusively, that fact will be stated under the said heading.

In stating the kinds of liquors proposed to be used in, and to be produced by, rectification, the classification of alcohol, high wines, spirits, whisky, gin, rum, brandy, foreign wines, domestic wines, imitation wines, bitters, cordials, and sirups must be used, as the case may be.

RECTIFIER'S NOTICE, FORM 122.

Section 8, act of March 1, 1879 (section 3317 *a*, compilation of 1889), provides that "When any rectifier intends to rectify or compound any distilled spirits, he shall give notice in duplicate to the collector of the district, in such form, and giving such particulars, as the Commissioner of Internal Revenue may prescribe; one of such notices to be forwarded by the collector to the Commissioner of Internal Revenue."

Under the above provision of law it is directed that whenever any rectifier proposes to empty any spirits for the purpose of rectifying, purifying, refining, redistilling, or compounding the same, either in fact or, as in the case of mixing in the packages, constructively, he will enter in the proper place on Form 122, revised, the number of casks or packages, and, in the proper columns, the serial number of each, the kind of stamps, and the serial number of each, the contents in wine gallons and proof gallons, and the proof as shown by the marks, the particular name of the spirits as known to the trade, by whom produced, rectified, or put up, the district where produced, the date of the original gauge, and by whom gauged.

Where spirits are returned on Form 122, which are covered by tax-paid stamps which were affixed upon regauge made at time of withdrawal from distillery warehouse, the rectifier will enter in the appropriate columns, on Form 122, the contents as shown by marks made at time of such regauge, the date of the regauge, and the name of the gauger by whom it was performed.

The Form 122 thus filled up, signed, and dated, will be forwarded, in duplicate, to the collector of the district, who on its receipt will deliver

it to a gauger with instructions to carefully gauge and inspect each package of spirits therein described; cut out slips from the stamps on said packages; make a detailed report of such gauge and inspection in the column "Return of spirits gauged," and, after signing the certificate at the foot of the form, return it with the slips of stamps attached thereto.

All tax-paid, rectifiers', and wholesale liquor-dealers' stamps are now issued with a slip of paper affixed to the back of each stamp, and gaugers detailed for duty at rectifying houses will, whenever packages having thereon tax-paid stamps are gauged for the purpose of being dumped for rectification, carefully cut out with a sharp instrument that portion of the stamp upon which is shown the serial number of the stamp, name of the distiller, proof gallons, and the serial number of the package. These slips are to be securely attached to a slip of paper in such a manner as that the above-described portion of each stamp may be readily examined, and said slip of paper must be securely attached to the Form 122, whereon the gauging is reported, and returned by the gauger to the collector, who will at once forward the same to this office.

Whenever a package of spirits bearing a rectified-spirit stamp, having a paper back, is gauged for the purpose of being dumped for rectification, that portion of the stamp on which is printed the serial number, the proof gallons, the denomination of the stamp, and the district and State, will be carefully cut out by the gauger, in the same manner as a portion of the tax-paid stamp is cut out, and attached to a slip of paper, and such slip attached to the Form 122 as above required in the case of tax-paid stamps.

Whenever a package of spirits bearing a wholesale liquor-dealer's stamp, having a paper back, is gauged for the purpose of being dumped for rectification, such stamp will be cut from top to bottom, between the words "proof" and "collector," which will be found near the bottom of the stamp, and the portion so cut must embrace the entire width between the said words, and the slip will be attached to the slip of paper and Form 122 as above described.

Where a stamp has been mutilated by accident, and the portion described can not be returned by reason of having been lost or totally destroyed, an affidavit setting forth all the facts in the case will be made by the rectifier, and be attached to Form 122, and forwarded therewith to the collector.

If the collector is satisfied that the statements are in all respects true, he will attach his certificate to that effect and forward the Form 122 and affidavit to this office.

The gauger will certify at the foot of the form, giving date, that he made an actual gauge of *each package* of the spirits described in the form; that he cut out the portion of the stamps required by Regulations; attached the same to the form, and that the column "Return of spirits gauged" is correctly filled up.

Any gauger who is found to have signed the certificate in blank, or to have given a false certificate, will be recommended for dismissal from office.

In all cases gaugers will give the exact date on which they made the actual gauge.

If less than the contents of a package, or packages, is dumped, the gauger will enter in the columns, "Return of spirits gauged" the actual quantity emptied from each package.

The gauger having gauged each package of spirits described in the notice, Form 122, and cut out the portion of the stamps required by these Regulations to be attached to the notice, may leave the spirits to be emptied by the rectifier.

Where rectified spirits are dumped of which the hydrometer will not correctly indicate the proof, in consequence of the introduction of saccharine matter, the gauger will in all cases report the proof gallons the same as the wine gallons in filling up the proof-gallon column on Form 122, under "Return of spirits gauged," and enter an "0" in the column of "Proof."

In case, however, such spirits have an apparent proof, the gauger will enter in the "Proof" column the apparent proof shown by the hydrometer, preceded by the letters "A. P."

The gauger will return the completed notice, with the stamps attached to the duplicate, as directed, to the collector as soon as practicable.

The collector, after seeing that the notice and duplicate agree in all respects, will at once forward the duplicate to the Commissioner of Internal Revenue and file the original in his office.

The rectifier's notice, Form 122, will be required in all cases where the spirits are intended to be rectified by any process, and must be presented at the collector's office a sufficient time before dumping to secure the attendance of a gauger to make an actual gauge and weight of the spirits intended to be dumped; and to secure compliance of the rectifiers with this requirement, collectors may withhold the issue of stamps as directed herein.

Should a rectifier wish to dump a package from which a portion of the spirits has been sold by him as a wholesale liquor-dealer, he will

make application on Form 92 for a stamp to cover the spirits remaining in the package, and attach said stamp, as hereinbefore required.

He will then transfer such package to himself as a rectifier, reporting such transfer on his book (Form 52), after which the notice on Form 122 may be given in the usual manner.

Any delay or irregularity on the part of the rectifier in giving said notice on Form No. 122 will be reported to the Commissioner of Internal Revenue.

After the notification has been given on Form 122, and the spirits gauged for rectification, the process of rectifying must at once be entered upon and completed as soon as practicable.

NOTICE OF COMPLETION OF THE PROCESS OF RECTIFICATION AND REQUEST FOR THE STAMPING OF THE SPIRITS, ON FORM 237.*

When the process of rectification (including compounding, etc.) has been completed, the rectifier will at once so notify the collector, giving the number of wine gallons and proof gallons (which latter must include the actual proof gallons contained in spirits containing saccharine matter) so rectified, redistilled, or compounded, and request that the spirits may be gauged and inspected and stamps issued for the same; and thereupon the collector will direct a gauger to gauge and inspect the same, and will issue stamps for rectified spirits covering the quantity of spirits, but not in any case to exceed the number of proof gallons stated in the notice of the rectifier as filed in his office.

Where the spirits are the result of the re-rectification of goods, the proof gallons of which were at time of dumping reported on Form 122 the same as the wine gallons, the rectifier may in like manner state in his notification the number of proof gallons the same as the wine gallons.

The provisions of section 3320, Revised Statutes, cover all packages filled for shipment, sale, or delivery upon the premises of any authorized rectifier. As the law explicitly requires all such packages to be gauged and stamped, the rectifier must put up his spirits in casks or packages of such shape and size that they can be gauged by the prescribed rod, and in case of a cask or package being filled by a rectifier or wholesale liquor-dealer, such package must be of such a material as will admit of the attachment of the stamps as required by law.

Rectifiers will give this notice in duplicate on Form No. 237, and fill all the blank spaces in the notice, except in cases where the spirits rectified are all of one class, when so much of the notice as refers to the other class will be canceled by drawing a pen through the same.

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* The regulations concerning rectifier's notice of completion of the process of rectification, etc., were modified by Circular No. 347, of July 7, 1890, in which Record 64 was prescribed to be kept at rectifying houses by United States gaugers.

Upon receipt of the notice, the collector—if the account with the rectifier on Record 39 shows him to be entitled to stamps for the full number of proof gallons reported—will direct the gauger to gauge and stamp the spirits.

United States gaugers will not gauge or stamp spirits, after rectification, except when so instructed on this form by the collector, when they will report each package separately on said form, and fill all of the columns, except as provided below, or state reason for the omission in the column not used.

Where spirits are gauged the proof of which can not be correctly determined by the hydrometer, owing to the presence of saccharine matter, or other material which affects the instrument, the gauger will enter the apparent proof and apparent proof gallons in columns 10 and 11 of the return, and make no entry in columns 8 and 9.

In case, however, so much saccharine or other matter has been added to the spirits that no indication is shown on the hydrometer stem, a cipher ("0") will be written in columns 5, 10, and 11, and columns 8 and 9 will be left blank.

In all cases, except as above, every column on the gauger's return will be filled but 10 and 11, in which no entry will be made.

Upon completion of the report the gauger will return the same in duplicate to the collector, who will forward one copy to the Commissioner of Internal Revenue, inclosed in the rectifier's return (Form 45) for the month.

The other copy will be held by the collector and filed with the retained copy of the return on Form 45.

Collectors may withhold the issue of stamps where the notice of purpose to empty spirits for rectification is not given in sufficient time to cause an investigation to be made of the packages before they are emptied, and in no instance will they issue stamps for rectified spirits to any rectifier until both the notices are filed with them; and such stamps will be delivered to the gauger, who will attach the same to the barrels or packages only upon the order of the collector.

Collectors are advised of their responsibility in the control of the stamps under cover of which the trade are enabled to put spirits upon the market, and cautioned as to the necessity of knowing that in their issues they are not made accessory to the sale and transfer of illicit spirits; and they, together with all revenue officers directly or indirectly connected with the affixing of stamps upon packages of spirits, are cautioned against affixing stamps upon packages which do not correctly represent the character of the contents, and thereby laying themselves

liable to the fines and penalties of section 3316, Revised Statutes. (See instructions as to use of stamps for rectified spirits under "Stamps for distilled spirits herein.")

RECTIFIERS' MONTHLY RETURNS, FORM 45.

Section 3317, as amended, provides—

That on or before the tenth day of each month every person engaged in rectifying or compounding distilled spirits shall make, in such form as may be prescribed by the Commissioner of Internal Revenue, a return to the collector of the district, showing the quantity of spirits received for rectification, and from whom received, the quantity dumped for rectification, the quantity rectified, the quantity removed after rectification during the preceding month, and giving such other information as may be required by the Commissioner of Internal Revenue, such return to be made in duplicate and sworn to by the rectifier; and the collector shall forward one of such returns to the Commissioner of Internal Revenue.

The returns conveying this information will be made by rectifiers on Form 45 in duplicate, and under oath, to the collector on or before the 10th day of the month succeeding that for which the return is made.

One of the returns, accompanied by the gauger's returns of spirits gauged after rectification during the month at the rectifying house, on Form 237, will be at once forwarded by the collector to the Commissioner of Internal Revenue, and the other return, with duplicate copies of said gauger's returns, will be retained and filed by the collector. The columns on the return, Form 45, are each to be filled with the total for the month, only one entry being necessary, except under the head of "From whom received," as provided below.

Care will be taken to report in the columns for "proof gallons" the actual inspection in gallons and hundredths of a gallon, and in the column for "wine gallons" the actual inspection in gallons and halves of a gallon, as shown upon the packages before dumping, or from the report of the gauger made after rectification, as the case may be.

Under the head "From whom received" each package must be reported separately, except when a number of packages are received from the same person or firm; the number of packages thus received, as well as the number of proof gallons, may be reported in the aggregate.

The total number of "packages" and "proof gallons" thus returned will be entered in the corresponding columns under the head of "Received for rectification," and also the number of "wine gallons" thus received. The entries made under these headings should correspond with total quantity of spirits received for rectification during the month, as shown by the entries in the rectifier's book, Form 52.

Entries will be made under the head "Revised for rectification" entirely irrespective of those entered under "Dumped for rectification," and in both instances the actual transactions must be reported. The fact that spirits have been reported as "received for rectification" does not preclude their being disposed of in the condition in which received, in which case the seeming discrepancy should be explained by required entries in book, Form 52. Where spirits are rectified which were received by the rectifier in his capacity as wholesale liquor-dealer, the name of the person or firm from whom the same were originally purchased should appear in the column "From whom received."

Under the head of "Dumped for rectification" will be entered the total number of packages, and their contents in wine gallons and proof gallons, emptied (constructively or otherwise) for rectification during the month, as shown by the entries in the notices, on Form 122, given by the rectifier during the corresponding period.

In all instances the spirits will be returned as dumped, on Form 45, for the month in which they were actually emptied, as appears from the gauger's certificate on the several notices on Form 122.

Entries in the several columns under the head of "Spirits rectified," on Form 45, will be made from the data contained in the respective returns of the gauger, on Form 237, as follows:

Under the head "No. of packages" enter the total number of packages of spirits rectified during the month.

Under "Without saccharine matter" enter the quantity of spirits rectified, the proof of which can be correctly determined by the hydrometer. The entry of "Proof gallons" under this heading must agree with the aggregate entries in column 9 of the several forms (237) accompanying this return.

In the columns of "Sweetened spirits" will be entered the quantity, in wine gallons and apparent proof gallons, of the spirits rectified during the month, the proof of which can not be correctly ascertained by the hydrometer, but in which the hydrometer stem shows an apparent proof only.

The entry under "Apparent proof gallons" must be the aggregate of the entries in column 11 of the said forms (237).

Under the head of "No proof spirits" will be entered the number of wine gallons of spirits rectified during the month to which so much saccharine or other matter was added that no indication was shown on the hydrometer stem, which entry will be the aggregate of the entries in column 7 on the several forms above mentioned, where a cipher appears in columns 5, 10, and 11.

The number of wine gallons of each of the three classes of spirits rectified will be entered in the appropriate spaces in the left-hand column of the summary, and beneath these will be entered the total number of wine gallons of spirits rectified during the month.

The actual quantity of proof spirits contained in each of the three classes of spirits rectified, and the total of the same, will be shown in the right-hand column of the summary.

Spirits are not to be reported as rectified until put up in packages and gauged and rectifiers' stamps are affixed.

In the spaces on the lines showing "Quantity of spirits received for rectification by purchase or otherwise since," and "Quantity of spirits rectified since," must be entered in all cases, the first day of the month in which business was commenced under present special-tax payment, or under the present individual or firm name, as the case may be.

The total quantity of spirits received and rectified *since such date* must invariably be stated on said lines, in the appropriate columns, care being taken to increase the quantities thus reported from month to month to the exact extent represented by the entries under the head of "Received for rectification," and "Spirits rectified," as the case may be.

The return, Form 45, must in all cases when practicable be verified by the principal, and not by an employé.

If, by reason of sickness or absence, it is impracticable for the principal to make oath to the correctness of the return, it should be accompanied by an affidavit showing the cause of the inability of the principal to verify the same.

COLLECTOR'S RECORD OF RECTIFYING BUSINESS, BOOK FORM 39.

Collectors must keep an extra account with each rectifier, on Form 39, in such manner as to be constantly advised as to the state of his business, and should exercise such supervision over the issue of stamps for rectified spirits as will prevent fraud in their use.

The issue of stamps to any rectifier in excess of the proof gallons dumped, according to the notice on file, without investigation and action, as provided below, will be regarded as a grave neglect of duty.

The entries in Record 39 are to be made daily—those under the head of "Dumped for rectification" being transcribed from the rectifier's notice, Form 122. Those under the head of "Spirits rectified" are to be made from the gauger's return, Form 237; and those under the head of "Actual proof gallons in spirits containing saccharine matter" are to be made from the statement in this particular which the rectifier is required to make in his notice of the completion of rectification with request for gauge.

The aggregate of the entries appearing in the columns "Proof gallons without saccharine matter" and "Actual proof gallons in spirits containing saccharine matter" will be entered in the column headed "Total number of proof gallons rectified."

Rectifiers are to be debited with the proof gallons dumped "as shown by gauger," and credited by the "Total number of proof gallons rectified;" and the balance should be made at least monthly and carried over from year to year.

The accuracy of such balance will be verified from time to time by an actual inventory of the stock on hand at rectifying establishments. It is also expected that collectors will verify the entries contained in the rectifier's monthly return, on Form 45, by comparing the same with the aggregate of like items made in this book for the given month.

If the monthly balance should show an excess of proof gallons rectified over the quantity reported as emptied for rectification, collectors will promptly and fully investigate the matter, cause an actual and careful inventory to be taken of the stock on hand, and, if thus satisfied that the known excess is due to legitimate causes, they may issue stamps covering the quantity of spirits returned by the rectifier.

In case, however, the excess is greater than explicable by the ordinary course of business, and a due compliance with the law and regulations, a copy of the account with the rectifier covering the period during which the surplus accumulated, showing the actual excess found by inventory, together with an affidavit of the rectifier as to the cause of the excess, will at once be forward to the Commissioner of Internal Revenue, for instructions, accompanied by the collector's recommendation based upon the required investigation.

STAMPS FOR DISTILLED SPIRITS.

Under the provisions of sections 3287, 3295, 3320, and 3330, Revised Statutes, the legislative appropriation act of August 15, 1876, the act of March 3, 1877, and the act of March 1, 1879, stamps for distilled spirits have been prepared and are now in use, as follows:

Distillery-warehouse stamps, to be used on all original packages of distilled spirits produced at registered grain and molasses distilleries.

Special bonded-warehouse stamps and rewarehousing stamps, to be used on original packages of brandy deposited in special bonded warehouses under the acts of March 3, 1877, and October 18, 1888.

Tax-paid stamps of denominations from 10 gallons to 130 gallons, to be used on original packages of spirits of all kinds.

Export stamps, to be used on packages of spirits withdrawn from warehouse for exportation in bond.

Stamps for rectified spirits, to be used only by rectifiers on packages containing spirits subjected to the process of rectification as defined by section 3244, Revised Statutes.

Wholesale liquor-dealers' stamps, to be used upon packages filled from other packages by wholesale liquor-dealers.

Stamps for imported spirits, to be used on packages of imported distilled spirits filled for shipment, sale, or delivery on the premises of any wholesale liquor-dealer.

These stamps are engraved and bound in book form, the books of tax-paid stamps containing one hundred and fifty stamps each; rectified-spirit stamps, two hundred each; wholesale liquor-dealers' stamps, and stamps for imported spirits, three hundred each; distillery-warehouse and exportation stamps, four hundred each; and special stamps for warehousing and rewarehousing brandy, three hundred each.

The tax-paid stamps are for 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, and 130 gallons, with nine coupons attached, each coupon representing 1 gallon.

Rectifiers' and wholesale liquor-dealers' stamps, and the stamps for imported spirits, are for 5, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, and 130 gallons, with four coupons representing 1 gallon each, attached to the 5-gallon stamp; and nine coupons, representing 1 gallon each, attached to stamps of all other denominations.

All tax-paid, rectifiers', wholesale liquor-dealers', export stamps, and stamps for imported spirits, are now issued with a slip of paper affixed to the back of each stamp.

HAVING A MONEY VALUE.

Of the above stamps, tax-paid and exportation only have a money value—tax-paid, 90 cents per gallon (act March 3, 1875), and exportation, 10 cents each (act March 1, 1879). The sum of 10 cents for each package to which an export stamp shall be affixed will be paid to the collector on making the entry for transportation.

HAVING NO MONEY VALUE.

The other stamps above named have no money value, the act of May 28, 1880, amending section 3314, having repealed the provision charging 10 cents for stamps other than tax-paid and export.

REQUISITIONS—HOW MADE.

These stamps will be issued to collectors upon their requisitions made as follows:

Tax-paid and exportation on Form 139.

Distillery warehouse, special warehouse, and rewarehouse on Form 175.

Rectified spirits on Form 139½.

Wholesale liquor-dealers' on Form 127.

Stamps for imported spirits on Form 160.

COLLECTORS' MONTHLY REPORTS OF SPIRIT STAMPS—HOW MADE.

Tax-paid and exportation on Form 90.

Distillery warehouse, special warehouse, rewarehousing, rectifiers', wholesale liquor-dealers', and for imported spirits, on Form 177.

Full instructions as to the preparation of the above reports are printed on the back of each form.

SIGNING OF STAMPS.

The signatures to stamps required by law must be written with pen and ink. That of the collector may be written by himself, or by any clerks or deputies especially designated by the collector for the purpose, of which designation this office shall receive notice, such notification being accompanied by a specimen of the collector's signature as written by the clerk or deputy.

STUBS OF STAMPS.

Section 3312 provides "that there shall be entered on each stub such memoranda of the contents of its corresponding stamp as shall be necessary to preserve a perfect record of the use of such stamp when detached." It is of the utmost importance that all stubs shall be *accurately* and *legibly* filled, so that a perfect record of the use of the stamp may be preserved.

The attention of collectors is especially called to the foregoing requirement. Failure to comply therewith retards the business of this office, delays settlements of accounts of collectors, and necessitates a large amount of correspondence that might otherwise be avoided.

USE OF THE WORD "SAME" ON STUBS OF STAMPS ISSUED IN CONSECUTIVE ORDER ON THE SAME DATE TO THE SAME PERSON OR FIRM.

When a number of stamps are issued in consecutive order *on the same date* to *the same person* or *firm*, the complete record of the first and last stamps must appear upon the first and last stubs respectively,

Upon each intervening stub the word "Same" may be used, either written or stamped, *to cover so much of the record as is identical with that on the first of the stubs.* The balance of such record, not covered by the word "*Same*," such as serial numbers of casks, contents, etc., should be inserted in the proper places in each stub.

RETURN OF BOOKS TO COMMISSIONER.

When all the stamps contained in any book shall have been issued, the collector will return the book, with all the marginal stubs therein, to this office. The stubs must in no case be removed from any of the books, and all unused coupons must remain attached to the marginal stubs. No coupon will be of any value when detached from the stamp or stub. Coupons erroneously detached may be reattached to the stub, and must be accompanied by the prescribed affidavits, Form 82. (See Series 7, No. 2, Revised July 15, 1889, fol. 77.)

DUPLICATE STAMPS FOR PACKAGES OF SPIRITS FROM WHICH STAMPS HAVE BEEN LOST OR DESTROYED.

Section 3315, Revised Statutes, authorizes the Commissioner of Internal Revenue, under such regulations as he may prescribe, with the approval of the Secretary of the Treasury, to issue stamps for restamping packages of distilled spirits which have been duly stamped, but from which the stamps have been lost or destroyed by unavoidable accident.

APPLICATIONS FOR RESTAMPING.

Persons having packages of spirits from which the stamps required by law to be affixed have been lost or destroyed should immediately notify the collector of the district in which the same are situated, and such notification should be accompanied by an application in writing to the collector to have the packages restamped, stating the number of packages, where they are located, and the nature of the applicant's interest in them.

The application should be accompanied by evidence—

(1) That the spirits were once properly stamped. If the stamps were lost or destroyed while in transit, the evidence should consist of the affidavit of the consignor that the packages were properly stamped when shipped by him. If lost or destroyed after they came into the possession of the applicant, his own affidavit, or that of some one in his employ cognizant of the fact, that the packages were properly stamped when received.

(2) That the stamps were lost or destroyed by unavoidable accident.

The evidence in this case should consist of the affidavit of some person having knowledge of the facts, setting forth all the circumstances attendant upon the loss or destruction of the stamps.

INSPECTION OF PACKAGES.

Upon receipt of the application and evidence the collector will detail a gauger to inspect and regauge the packages.

The gauger will make a written report to the collector of the number of packages which require restamping, the condition of each package, and the stamps or fragments of stamps remaining attached, if any.

He will also make a full report of the regauge on Form 59.

PRESENTATION OF CASE TO COMMISSIONER OF INTERNAL REVENUE.

The collector will forward to this office all the papers in the case, with his opinion as to the correctness of the evidence submitted by the applicant, and his recommendation in the premises. In addition thereto he will submit, in the case of

DISTILLERY-WAREHOUSE STAMPS,

a certified copy of the report on Form 59 of the original inspection of the spirits.

In the case of tax-paid spirit stamps—

(1) A certified copy of the report on Form 59 of the inspection of the spirits upon which the tax was paid.

(2) The certificate of the collector in whose district the spirits were produced as to the payment of the tax thereon.

IN THE CASE OF STAMPS FOR RECTIFIED SPIRITS, STAMPS FOR IMPORTED SPIRITS, EXPORT STAMPS FOR DISTILLED SPIRITS, AND SPECIAL WAREHOUSING AND REWAREHOUSING STAMPS FOR BRANDY,

a certified copy of the report of the gauger who affixed the stamps.

IN THE CASE OF WHOLESALE LIQUOR-DEALERS' STAMPS,

a certified copy of the application on Form 92 or 92½ for the stamp or stamps.

USE OF STAMPS.

DISTILLERY-WAREHOUSE STAMPS.

The law (sections 3267 and 3287) imperatively requires that all spirits produced from any material other than apples, peaches, or grapes shall be drawn from the receiving cistern at least once in three days into casks or packages containing not less than 10 wine gallons each, be gauged, proved, and marked, and shall be immediately deposited in the distillery warehouse and have the distillery-warehouse stamp affixed to each cask. The gauger will mark the casks as required, and affix the appropriate stamp to each cask. If the book of stamps is not in possession of the gauger, the collector or deputy collector will issue the

stamps upon the report of the gauger, in detail, of his inspection, keeping an account of the number of stamps so furnished to each distiller.

The distillery-warehouse stamp must be signed by the collector, storekeeper, and gauger, and have written thereon the number of proof gallons contained in the package, the name of the distiller, the date of the receipt in warehouse, and the serial number of each cask.

Special bonded-warehouse stamps must be signed by the collector and gauger, and have written thereon the name of the distiller, number of the district, number of the warehouse, serial number of cask, and the contents in proof gallons.

The rewarehousing stamp must be signed by the collector and storekeeper, and have written thereon the serial number of cask, the contents in proof gallons, the name of the distiller, the number of the district, the number of the bonded warehouse from which the package was withdrawn, and the number of the bonded warehouse into which it is entered.

TAX-PAID STAMPS.

Whenever any person desires to withdraw spirits from a warehouse on payment of tax, he will notify the collector or deputy collector, who will, upon receipt of the tax, cut from the book stamps with the requisite coupons annexed, properly filled up and signed. Before being withdrawn from warehouse, the tax-paid stamp must be affixed by the gauger in the presence of the storekeeper, and said stamps must remain upon such casks or packages until the spirits therein are emptied or drawn off. When emptied or drawn off, the warehouse and tax-paid stamps, with the other marks and brands, must be effaced and destroyed, as required by section 3324, Revised Statutes.

The tax-paid stamp, in addition to bearing the signature of the collector, as provided herein, must be signed by the storekeeper and gauger, and shall have written thereon the date of payment of the tax, by whom paid, the number of gallons proof spirit, serial number of cask, location of warehouse, and the name of the person to whom the same is to be delivered.

The number of taxable gallons should be entered in the body of the stamp.

The special brand, however, which, under the provisions of section 3295, Revised Statutes, is to accompany the tax-paid stamp, must be erased when the cask or package is emptied, by cutting or burning a canceling line across the letters and figures composing such brand.

The original casks or packages of a distiller, after removal from distillery warehouse, must, therefore, bear the distillery-warehouse and

tax-paid or warehouse and export stamps, except when alcohol has been withdrawn for scientific purposes, or any distilled spirits for the use of the United States, free of tax, as provided in sections 3297 and 3464, United States Revised Statutes.

The absence of these stamps is evidence that the tax was not paid, or that there has been a change of package, and the cask in such latter case, if containing 5 or more gallons wine measure, must bear the rectifiers' or the wholesale liquor-dealers' stamp, as the case may be, and be marked as hereinafter provided.

So long as the original package remains unchanged and bears the distillery-warehouse and tax-paid stamps, and is not intended for export, no other stamp is required.

All spirits produced by distillers of apples, peaches, or grapes, exclusively, are required to be drawn into casks of not less than 10 wine gallons capacity, and to be retained at the designated place of deposit at the distillery until the tax is paid thereon and the tax-paid stamp is attached thereto, except when removed in bond from the place of manufacture to a special bonded warehouse without payment of tax under the provisions of the acts of March 3, 1877, and October 18, 1888.

The marks, brands, and stamps must be effaced and obliterated on emptying, and the special brand canceled, as in the case of other distillers' packages.

EXPORT STAMPS.

When the owner of distilled spirits desires to remove the same from a distillery warehouse for exportation under a transportation bond, he will give notice of his intention to the collector of the district in which the distillery warehouse containing the spirits is situated, who will thereupon detail a gauger and deliver to him an order in triplicate to inspect and gauge the spirits, and affix to each package the proper export stamp. It will be the duty of such gauger to gauge each package of spirits and make a report to the collector.

The gauger will carefully and thoroughly inspect each package, ascertaining the actual wantage, proof, and contents, without reference to the marks on the casks. He will report the date of the production of the spirits and the amount contained in the packages when entered into warehouse. In every case he will see that the export stamp is affixed to each package and properly canceled before the spirits are withdrawn.

The export stamp must be signed by the collector and gauger, and there must be written thereon the date when and the name of the person to whom issued, the serial number of the cask, and number of proof gallons.

STAMPING IMPORTED SPIRITS.

Section 11 of the act entitled "An act to amend the laws relating to internal revenue," approved March 1, 1879, provides as follows:

That all distilled spirits, wines, and malt liquors imported in pipes, hogsheads, tierces, barrels, casks, or other similar packages, shall be first placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected, marked, and branded by a United States customs gauger, and a stamp affixed to each package, indicating the date and particulars of such inspection; and the Secretary of the Treasury is hereby authorized to prescribe the form of, and provide the requisite stamps, and to make all regulations which he may deem necessary and proper for carrying the foregoing requirements into effect.

In accordance with this law the Secretary of the Treasury has issued a circular addressed to collectors and other officers of the customs, containing the following instructions, viz:

To carry into effect the above provisions, stamps with stubs have been prepared by the Department, and will be supplied, in book form, upon requisitions of collectors, in such numbers as may be required. Collectors will cause the blanks provided in the stamps to be filled up by inserting the date when issued (and in the case of distilled spirits the number of the bond), the port of importation, the name of the vessel and date of arrival, the number of wine gallons, and, in the case of spirits, also that of proof gallons, contained in the package, and the commercial name of the wine or liquor contained therein; and the stamp will be signed by the gauger who may inspect the package as hereinafter provided.

Before the removal from the custody of the officers of the customs of any package of imported spirits, wines, or malt liquors, the collector will detail a United States customs gauger, and this officer will make a careful gauge of the package, and will cut upon the bung-stave the number of wine gallons, and in the case of spirits, the proof, outage, and number of proof gallons, and will also cut or mark upon the head of the package, in letters at least one-half inch in length, the date of inspection, the serial number of the stamp to be affixed, and the name of the spirits, wines, or malt liquors contained therein, as known to the trade, and a report of such gauge shall be made under the provisions of article 1138 of the General Customs Regulations of 1874.

Each package must be gauged and inspected separately, without regard to marks and brands already on such package, and fractions of gallons will be marked as provided in article 1137 of the regulations referred to.

The gauger will affix the stamps, and in attaching them will take care to guard against their cracking and peeling off. Collectors of customs will be guided by their own judgment in regard to requiring the goods to be carted to public store or bonded warehouse for the mere purpose of inspection and stamping, and where, in their judgment, such inspection, stamping, etc., can as well be done at the place of landing, they may permit that course to be taken. Each stamp must be canceled im-

mediately upon affixing, by means of a stencil plate having five parallel waved lines, which must be long enough to extend 1 inch beyond each end of the stamp on the wood of the cask. A coating of transparent varnish or other suitable substance should be applied to protect and preserve the stamp after it has been affixed and canceled.

STAMPING REIMPORTED SPIRITS.

Reimported domestic spirits are required to be stamped with stamps provided for imported liquors, and the stamps will have written across the face in red ink the words "*American goods reimported,*" and the initials of the proper officer of the customs will be affixed to such indorsement.

While the retention of internal-revenue marks and stamps upon packages of reimported spirits is not expressly required by any provision of law, such retention is commanded by the interests of both the Government and the importer.

(For instructions regarding the stamping of imported spirits by wholesale liquor-dealers, see regulations herein under the heading "Wholesale liquor-dealers' stamps.")

STAMPS FOR FRUIT BRANDY.

All spirits produced by distillers of apples, peaches, or grapes exclusively are required to be drawn into casks of not less than 10 wine gallons capacity, and to be retained at the designated place of deposit at the distillery until the tax is paid thereon and the tax-paid stamp is attached thereto, except when removed in bond from the place of manufacture to a special bonded warehouse without payment of tax, under the provisions of the acts of March 3, 1877, and October 18, 1888.

The original packages of this class of distillers must, therefore, bear the tax-paid stamp, the special bonded-warehouse stamp, or the rewarehousing stamp.

On payment of the tax upon the brandy remaining at the distillery, as shown in the gauger's report, the collector shall prepare tax-paid stamps of the proper denomination, with all the blanks filled up according to the facts appearing in such gauger's return, including the serial number of the cask to which each stamp is to be attached, which stamps shall be signed by the collector, as well as by the gauger making the return, and delivered to the distiller.

Upon the receipt from the collector of the tax-paid stamps, the distiller shall affix the same to the casks in a secure and permanent manner, as herein directed.

STAMPS FOR RECTIFED SPIRITS.

Under the provisions of section 3320, Revised Statutes, every package of rectified spirits filled for shipment, sale, or delivery, on the premises of any authorized rectifier, must be gauged, inspected, marked, and branded as hereinafter provided, and have affixed thereto the stamp for rectified spirits.

It must be understood, however, that the term rectified spirits is here used in its legal and not in the ordinary commercial signification of the term. Any person who purchases tax-paid spirits and redistills or compounds the same, or who purifies or refines such spirits by any process, is a rectifier as defined by law; and the spirits so redistilled, compounded, refined, or purified are rectified spirits, and must bear the stamps for rectified spirits. The term rectifier, as used in these regulations, includes every person who treats distilled spirits or wines by any of the processes the using of which would constitute him a rectifier, as defined by section 3244, U. S. Revised Statutes.

When a rectifier purchases spirits, and proposes to subject them to any of the processes which would constitute him a rectifier, he must file with the collector the notice herein provided for; and upon emptying the casks he must efface and obliterate the stamps, marks, and brands upon such casks, and the special brand accompanying the tax-paid stamp must be erased as herein provided. And when he puts spirits into casks, after completing his process, such casks must have affixed the stamp for rectified spirits, and this stamp must not be removed until the cask is emptied.

The rectifier's stamp must be signed by the collector and gauger, and shall state the date when affixed, the number of proof gallons, the number of the district, and name of the rectifier.

USE OF COUPON ON STAMPS FOR RECTIFIED SPIRITS.

In using the coupons on rectifiers' stamps, the same rule will be followed in the treatment of fractional parts of gallons as is observed in the treatment of fractions of proof gallons for the purpose of taxation; that is, if the fraction is less than .50 it is dropped, and if .50 or above, it is called the unit above. Thus, if a cask contains 42.46 gallons, a 40-gallon stamp and two coupons will be used, and 42.46 written in the body of the stamp. If the fraction were .52, three coupons would be used and 42.52 written in the stamp. In case a cask contains 5 or more wine gallons, and less than 5 proof gallons, a 5-gallon stamp without coupons will be used, and the number of proof gallons written in the body of the stamp.

Where the rectified spirits are below proof the same rule will be followed as in the issuance of tax-paid stamps; that is, the stamps will be issued for the taxable gallons and not for the proof gallons.

Rectifiers' stamps must not be affixed to casks containing spirits which have not been rectified in the legal signification of the term, as defined in the third paragraph of section 3244, Revised Statutes.

When spirits are redistilled by a rectifier, and marked "Alcohol," "Cologne spirits," etc., they must be covered by a rectifier's stamp, but such stamp should not be issued and affixed to cover spirits which have simply been changed from one cask or package to another, or to which water only has been added. (See instructions herein as to the procurement of stamps for rectified spirits.)

WHOLESALE LIQUOR-DEALERS' STAMPS.

Any person who sells or offers for sale spirits in quantities of 5 wine gallons and upward is a wholesale liquor-dealer; and every cask or package of 5 gallons or more filled for shipment, sale, or delivery, on the premises of any wholesale liquor-dealer, must have affixed thereto the wholesale liquor-dealers' stamp, and be marked as hereinafter provided.

Where a wholesale liquor-dealer purchases packages of spirits properly marked, stamped, and branded, and sells them in the same condition, no other stamp or mark is required.

A neglect or failure to comply with the requirements of section 3320 and the act of August 15, 1876, so far as the latter relates to wholesale liquor-dealers' packages, renders the package of spirits liable to forfeiture.

CHANGE OF PACKAGE BY WHOLESALE LIQUOR-DEALERS.

The act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1877, and for other purposes, approved August 15, 1876, provides that "section 3321 of the Revised Statutes, and 3323 so far as the latter relates to wholesale liquor-dealers' packages filled on the premises of wholesale liquor-dealers, shall, from and after ten days from the passage of this act be repealed; and packages of distilled spirits filled on the premises of any wholesale liquor-dealer shall thereafter be stamped under such rules and regulations as the Commissioner of Internal Revenue may prescribe."

In accordance with the above provisions of law, a wholesale liquor-dealers' stamp has been prescribed, as follows:

UNITED STATES INTERNAL REVENUE.

Wholesale liquor-dealers' stamp.

(Date:) ——— ——, ——.

Issued by ——— ———, collector —— district, State of ———, to ——— ———, wholesale liquor-dealer, for —— wine gallons taken from package No. ——, filled by ——— ———, of the —— district, State of ———, bearing ——— stamp No. ——. Original proof, ——. Present proof, ——.

———— ————, *Collector.*

STAMPING OF IMPORTED SPIRITS BY WHOLESALE LIQUOR-DEALERS.

Section 11, act of March 1, 1879, provides that—

Whenever any cask or package of imported distilled spirits of not less than five wine gallons is filled for shipment, sale, or delivery on the premises of any wholesale liquor-dealer, the same shall be stamped with a special stamp for imported spirits, under such rules and regulations as the Commissioner of Internal Revenue has prescribed, or may hereafter prescribe, in the case of domestic distilled spirits.

In accordance with the above provision of law, an additional wholesale liquor-dealers' stamp has been prescribed, as follows:

Stamp for imported spirits.

No. ——.

Issued ——— ———, 10—, to ——— ———, wholesale liquor-dealer at ——— ———, for ——— wine gallons of imported spirits, taken from a package ——— by ——— ———, of the —— district, State of ———, bearing ——— stamp No. ——. Original proof, ———. Present proof, ———.

———— ————,

Collector —— *District of* ———.

The stamp for imported spirits must be signed by the collector, and there must be inserted in the body of the same the date, the name of the wholesale liquor-dealer to whom issued, the place of business, the number of wine gallons, whether imported or filled, and by whom, giving the number of the bond covering the spirits or the name of the wholesale liquor-dealer, as the case may be, the district and State

where he does business, the kind of stamp on the package from which the spirits are to be drawn, stating either stamp for imported liquors or stamp for imported spirits, the number of said stamp, the original proof, and present proof of the spirits.

The services of gaugers at wholesale liquor-dealer's establishments for the purpose of gauging, stamping, and branding wholesale liquor-dealers' packages are not now required, and stamps for packages containing 5 wine gallons or more will be furnished to wholesale liquor-dealers, by the collectors of internal revenue, on application being made therefor on prescribed Form 92 or 92½.

In making application for a wholesale liquor-dealer's stamp, the *first* application for a stamp to cover spirits to be drawn from any package must be accompanied by a piece of the stamp on the package, which must be cut therefrom in the manner prescribed in these regulations under the heading "Rectifiers' notice, Form 122."

In making application for the wholesale liquor-dealer's stamp for imported spirits, the *first* application for a stamp to cover the spirits to be drawn from any package must be accompanied by a piece of the stamp on the package, which must be cut therefrom in such a manner as to show the kind and serial number of the stamp; date of issue and number of the bond covering the spirits; the port from whence imported; the name of the vessel; the wine and proof gallons; the name of the collector, and the port where the stamp is issued.

In case a sale is to be made of spirits from a cask or package bearing the "stamp for imported spirits," such stamp will be cut in such a manner as to show the kind and serial number of the stamp; date of issue and party to whom issued; the wine gallons; the kind of stamp and serial number of original stamp; original and present proof, and the name of the collector.

In case a sale is to be made of spirits from a cask or package bearing the wholesale liquor-dealer's stamp, such stamp will be cut from top to bottom, between the words "proof" and "collector," which will be found near the bottom of the stamp, and the portion so cut must embrace the entire width between the said words. (See instructions herein under the head of "Marking and stamping of packages of spirits filled on the premises of wholesale liquor-dealers.")

The collector will preserve each application for wholesale liquor-dealer's stamp (Form 92 or 92½), and record the same daily in a book to be provided for that purpose.

When the wholesale liquor-dealer is located at a point where it is inconvenient to make application to the collector for the stamp, he may make application to the nearest deputy collector, who is hereby author-

ized to receive such application, and to issue said stamp in the same manner as the collector, preserving such application and recording it in a book to be kept by him for that purpose.

Collectors are instructed to furnish wholesale liquor-dealers with a proper supply of blank applications (Forms 92 or 92½), and keep them supplied with the same.

Wholesale liquor-dealers will be held strictly responsible for the accuracy of the description in their application (Form 92 or 92½) of the stamp or stamps desired, and that the facts required to be stated therein are correctly stated.

All persons are notified that the nonuse, misuse, or fraudulent use of these stamps renders the person so offending liable to the penalties prescribed in the internal-revenue laws relative to other stamps for distilled spirits.

If, after selling a portion of the spirits from any cask or package, the dealer wishes to dispose of the balance remaining in the original package bearing the remnant of a stamp, he will be required to make another application for a stamp, or stamps, to cover such balance either in such original package or other packages to which it may be changed; and if to be sold in the original package, the remnant of the stamp and all marks and brands shall be erased from said package, as required by law and existing regulations.

Where, however, the wholesale liquor-dealer transfers to himself, as retail liquor dealer, on the same premises, packages of spirits from which a portion of the spirits has been sold, it is not required that the packages shall be restamped.

In such cases the collector can complete his record, on Form 41, by availing himself of the data found in the required transcripts of the entries made in the dealer's book, Form 52, which book must show in detail the spirits transferred as above.

In no case shall dealers be allowed to sell the spirits remaining in a package bearing the remnant of a stamp, or remove the package with such spirits therein from their premises, unless such package is remarked and restamped with a wholesale liquor-dealer's stamp as directed herein.

Should a rectifier wish to dump a package from which a portion of the spirits has been sold by him as a wholesale liquor-dealer, he will make application on Form 92 for a stamp to cover the spirits remaining in the package, and attach said stamp as hereinbefore required.

He will then transfer such package to himself as a rectifier, reporting such transfer on his book (Form 52), after which the notice on Form 122 may be given in the usual manner.

If, after a portion of the spirits has been sold from any cask or package, a wholesale dealer (who has paid special tax as a retail liquor-dealer) wishes to retail the balance on the same premises, he must transfer such balance to himself as a retail liquor-dealer, and report such transfer on his book (Form 52).

Under the provisions of the fourth paragraph of section 3244, Revised Statutes, packages containing less than 5 wine gallons of spirits can not be sold by wholesale liquor-dealers, even though they contain more than 5 proof gallons.

In order to prevent confusion where several sales are made from the same package, wholesale liquor-dealers should keep a record of the applications on Form 92 for each package, giving date and quantity to be covered by the stamp asked for in each application.

Collectors will see that record, Form 41, is so kept as to insure the issue of dealers' stamps only to cover the quantity of spirits contained in the original package.

RETAIL LIQUOR-DEALERS.

Retail liquor-dealers are only authorized to sell in quantities less than 5 gallons, and no reinspection or stamping of the package of spirits so sold by them is required.

The spirits which they purchase in packages of 5 or more wine gallons must be properly stamped, marked, or branded, and remain in the original casks or packages until drawn off for sale in retail packages.

There being no provision for stamping spirits on the premises of retail liquor-dealers, they are not permitted to reduce the proof of spirits by the addition of water or otherwise.

The restoring of spirits to their original proof, as provided herein, must be performed on the premises of a wholesale liquor-dealer.

A change of package of spirits to prevent leakage, or for other cause, can be made by a retail liquor-dealer in such manner as to protect the spirits from detention or leakage only by transferring the same to vessels containing less than 5 wine gallons each.

A retail liquor-dealer can not legally sell several packages of the same kind of spirits at the same time, each containing less than 5 wine gallons, but which contain in the aggregate more than 5 gallons.

GENERAL PROVISIONS REGARDING STAMPS USED BY RECTIFIERS AND WHOLESALE LIQUOR-DEALERS.

The attention of all officers of internal revenue is specially called to these instructions, as much confusion has arisen in consequence of the indiscriminate use of the stamp for rectified spirits and the wholesale

liquor-dealers' stamp. The use of the wholesale liquor-dealers' stamp upon the original packages of rectified spirits put up by a rectifier is improper, and must not be allowed; and the term rectified spirits must not be limited to its old commercial sense, but must be construed to cover all spirits included in the statute definition.

The provisions of section 3323, or of the act of August 15, 1876, so far as the latter relates to wholesale liquor-dealers' packages, apply to all cases where distilled spirits are drawn from any cask or package, and placed in any other cask or package containing not less than 10 gallons and intended for sale, without regard to the person by whom, or the place where, such change is made; and the absence of the required marks or brands is declared to be sufficient cause of forfeiture.

The absence of any stamp or brand required by law from any package of spirits containing 5 gallons or more works a forfeiture of the package and contents. (See section 3289, Revised Statutes.)

If any authorized rectifier fills any package with rectified spirits on his premises for shipment, sale, or delivery without causing the same to be gauged and stamped with the stamp for rectified spirits; or if any wholesale liquor-dealer fills any cask or package of distilled spirits without causing the same to be stamped with the wholesale liquor-dealers' stamp, he becomes liable to the penalty imposed by section 3456, Revised Statutes, and to the forfeiture of all spirits or liquors owned by him, or in which he has any interest as owner.

The local officers will be held responsible for the strict enforcement of all the provisions of the law in relation to this subject.

STAMPING FORFEITED SPIRITS SOLD BY UNITED STATES MARSHALS.

Under the provisions of section 3334, as amended by act of March 1, 1879, Revised Statutes, all distilled spirits forfeited to the United States, sold by order of court, whether condemned before or after the passage of the act, are to be sold subject to tax, and the purchaser must immediately and before he takes possession of such spirits pay the tax thereon. And if any tax-paid stamps are affixed to any cask or package so condemned, such stamps must be obliterated and destroyed by the collector or marshal after forfeiture and before such sale.

The spirits so sold are subject to this tax without regard to the question whether or not any tax has been previously paid thereon. The tax to be paid is 90 cents per wine gallon when below proof, and per proof gallon when at or above proof; fractions of a gallon amounting to one-half gallon or over to be taxed as a gallon; and any fractional part of a gallon less than one-half gallon to be exempt from tax. Where,

however, by reason of the spirits being below proof they will not bring a price equal to the tax thereon, the tax may be paid on the proof gallons only. (See proviso of section 3334, Revised Statutes.)

This is substantially a new tax, accruing upon the sale of such spirits by the marshal, and is to be paid in the district where the sale is made, and is to be collected upon the quantity sold by the marshal.

When, therefore, a sale is made by the marshal, he will require the purchaser, before receiving possession of the spirits, to deliver to him the receipt of the collector of the district in which the sale is made for the tax due upon the same, which receipt will be executed on Form 105. The purchaser, in order to obtain the receipt, will deliver to the collector a statement to be signed by the United States marshal, giving the number of packages, the number of wine and proof gallons in each, with the date of the sale and the name of the purchaser, and the collector will issue for every such cask or package a tax-paid stamp, and cause the same to be affixed thereto. Upon the face of the receipt, Form 105, the collector will indorse the words "Tax-paid stamps issued," and upon the stamps "Tax on spirits sold by United States marshal," with the date of the sale.

Before the delivery of any spirits so sold to the purchaser the marshal will mark with a stencil plate, or brand with a branding iron each cask or package with his name and official title, together with the date and place of sale, and the words tax paid, and the number of proof gallons, with the name of the gauger who gauged the same, and the date of gauging.

No stamp, brand, or mark which may be upon the barrels at the time the spirits are condemned is to be removed or obliterated, except the tax-paid stamp, and the new tax-paid stamp and mark of the marshal should be so placed as not to cover or deface any of such stamps, marks, or brands.

STAMPING FORFEITED SPIRITS SOLD BY COLLECTORS.

When forfeited spirits are sold by collectors under section 3460, Revised Statutes, they must be sold subject to tax, as required by section 3334, Revised Statutes, and should be marked and branded in the same way as spirits sold by a marshal, with such change as may be required by the difference in title of the officer selling.

Instructions as to the mode of procedure under section 3460, Revised Statutes, are given in the Regulations, Series 7, No. 2, revised, page 95.

In the case of forfeited spirits proceeded against under section 3460, Revised Statutes, which, when offered for sale, will not, by reason of

being below proof or of inferior quality, bring a price equal to the tax thereon computed only upon the proof gallons thereof, collectors will apply to this office for authority, under the last provision of section 3450, Revised Statutes, to destroy the same.

STAMPING SPIRITS SOLD ON DISTRAINT UNDER ORDER OF COURT OR UNDER SECTION 3460, REVISED STATUTES.

Section 3334, as amended March 1, 1879, provides that, in cases where distilled spirits offered for sale on distraint for taxes, where the taxes on such spirits have not been paid, or offered for sale for the benefit of the United States as forfeited under order of court, or under proceedings pursuant to section 3460, Revised Statutes, will not, by reason of being below proof, bring a price equal to the tax due thereon, but will bring a price equal to or greater than the tax on said spirits if computed only upon the proof gallons contained in the packages, then, and in such case, upon sale being so made, tax-paid stamps, to the amount required to stamp such spirits as if the tax thereon were only on the proof gallons, may be used by the collector making such sale, or furnished by the collector to the United States marshal or other officer making the sale for the benefit of the United States, without making payment for such stamps so used or delivered.

The officer having charge or making sale of the spirits is required to affix the stamps securely to the package and to write across the face of each the true number of wine and proof gallons in the package, the amount of tax paid, and the words "Affixed under the provisions of act of March 1, 1879."

Before issuing stamps under the provisions of this section, the collector will require of the officer having charge of the spirits an application for the stamps required. The application should be accompanied by a statement, under oath, of the facts and circumstances attendant upon the case, the number of packages in which the spirits are contained, and the number of wine and proof gallons in each package.

If the collector is satisfied from the statements submitted that the law has been complied with, he will issue the required stamps in blank, taking the officer's receipt in duplicate therefor. The receipt should show the serial numbers, denominations, and value of the stamps. The collector should caution the officer to cause the stamps to be securely affixed, and to write across the face of each the true number of wine and proof gallons in the package, the amount of tax paid, and the words "Affixed under provisions of act of March 1, 1879." He should also require the affidavit of the officer that the stamps were properly affixed.

The application, the *original* "receipt," and the affidavits should be forwarded to this office, accompanied by the affidavit of the collector as to the issue of the stamps; and, if the evidence is satisfactory to the Commissioner, credit will be allowed the collector in his accounts.

In the event of the sale being made by the collector, his affidavit, setting forth the facts, should be submitted.

STAMPS INTRUSTED TO GAUGERS.

Section 3314, Revised Statutes, as amended, authorizes collectors to intrust to gaugers books of stamps relating to distilled spirits, other than tax-paid stamps, whenever they may deem it necessary to do so, and they may require such gaugers to give security to return or account for all such stamps. Where such books are so intrusted to a gauger, he will be required to keep the same continuously in his immediate possession, and, when not in actual use, the book must be deposited in a safe and secure place, under lock and key, to which no one shall have access at any time except himself.

Such gauger must make a daily report to the collector, on Form No. 118, revised, of all such stamps used by him, and for whom used.

When all the stamps contained in any book shall have been issued the collector will return the book, with all the marginal stubs therein, to this office, all the blanks in such stubs being filled, so that a perfect record of the use of the stamps detached therefrom may be preserved.

The stubs must in no case be removed from any of the books, and all unused coupons must remain attached to the marginal stubs. No coupon will be of any value when detached from the stamp or stub.

FILLING OF STAMPS BY USE OF HAND STAMPS.

All spirit stamps may be filled in by the use of hand stamps, except the blank for collector's signature or the blank where his name should appear, and blanks for signatures of storekeeper and gauger, which signatures must be written with pen and ink.

IMITATION STAMPS.

Section 17 of the act of February 8, 1875, forbids any person to affix to or upon any cask containing, or intending to contain, distilled spirits, any imitation stamp, or other engraved, printed, or stamped or photographed label, device, or token, which shall be in the similitude or likeness of, or shall have the resemblance or general appearance of, any internal-revenue stamp required to be affixed to or upon any cask or package containing distilled spirits.

Gaugers are prohibited from applying their canceling plate to any caution notice, trade mark, or similar device which may be attached to casks or packages containing distilled spirits.

In no event will labels, or caution notices of any form or description, be permitted to be applied to casks or packages of spirits in such a manner as to cover or obscure any of the marks, brands, or stamps required to be placed thereon by law or regulations.

RESPONSIBILITY FOR ISSUING AND AFFIXING STAMPS.

Officers who are responsible for the control of stamps for distilled spirits should be extremely careful in their issues, so as not to make themselves accessory to fraud by enabling dishonest persons to place upon the market illicit spirits under cover of genuine stamps. No stamp should be issued for or affixed to any package of distilled spirits until the officer responsible therefor is satisfied that all provisions of the law relating to the same have been complied with, and that the stamp correctly represents the character of the contents. The attention of all officers having control of stamps for distilled spirits, or who are directly or indirectly connected with the affixing of the same upon packages, is called to the provisions of section 3316, Revised Statutes, which impose very heavy penalties upon revenue officers who shall issue stamps to any person, or who shall affix or cancel stamps in any place or in any manner, other than as provided by law or regulations. In view of these provisions, it behooves United States internal-revenue gaugers to know that parties for whom they stamp casks or packages are authorized to have them stamped, and that the stamp affixed and canceled by them is the one provided by law for the special spirits contained in the cask or package to which it is attached, and that it correctly represents the kind, strength, and volume of such spirits.

The issuance of any stamp, indicating the payment of any internal-revenue tax, before payment in full therefor has been made to the officer or person issuing the same, is forbidden in section 1, act of March 1, 1879 (section 3169 *a*, compilation of 1889), and a heavy penalty is provided therein for violation of said law.

ALL PACKAGES CONTAINING FIVE OR MORE GALLONS OF SPIRITS TO BEAR STAMPS.

Under the present system every package containing 5 gallons or more of distilled spirits lawfully upon the market will bear a stamp or stamps of one of the classes herein described.

The absence of any stamp or brand required by law from any package of spirits containing 5 gallons or more works a forfeiture of the package and contents. (See section 3289, Revised Statutes.)

STAMPS, AND ACCOMPANYING BRANDS, ON PACKAGES OF DISTILLED SPIRITS MUST BE OPEN TO INSPECTION.

The stamps, marks, and brands required by law and regulations to be applied to casks and packages of distilled spirits are designed to bear witness to the legality of the spirits which they cover, and they must not be obscured in any manner, or covered by encasing the vessel bearing the same in another, but must at all times be in such condition as to admit of ready examination by revenue officers.

STAMPS, MARKS, AND BRANDS UPON SPIRIT CASKS OR PACKAGES TO BE DESTROYED WHEN THE SAME ARE EMPTIED.

By the provisions of section 3324, Revised Statutes, every person who empties or draws off, or causes to be emptied or drawn off, any distilled spirits from any cask or package bearing any mark, brand, or stamp required by law, must, *at the time of emptying such cask or package*, efface and obliterate such mark, brand, or stamp. Any empty cask or package from which the marks, brands, or stamps have not been effaced or obliterated is declared to be forfeited, and any internal-revenue officer should seize the same wherever found.

Any person or transportation company who shall receive or transport or have in possession with intent to transport or to cause or procure to be transported any such empty cask or package, *or any part thereof*, having thereon any brand, mark, or stamp required to be placed on casks or packages containing distilled spirits, is liable to a penalty of $300 for each such cask or package, or any part of such cask or package; and any boat, railroad car, cart, or other vehicle, and all horses or other animals used in carrying or transporting the same are to be forfeited.

Any person who shall fail to efface and obliterate such mark, brand, or stamp *at the time of emptying such cask or package*, or who shall receive any such cask or package, or any part thereof, with intent to transport the same, or who shall transport the same, or knowingly aid or assist therein, or who shall remove any stamp from any cask or package without defacing or destroying the same at the time of such removal, or aid or assist therein, or who shall have in his possession any such stamp so removed, or who shall have in his possession any canceled stamp or any stamp which has been or purports to have been used, is deemed guilty of a felony, and to be punished by fine and imprisonment.

Section 12, act of March 1, 1879, as amended by act of May 28, 1880, provides—

That every person who empties or draws off, or causes to be emptied or drawn off, the contents of any package of imported liquors stamped as above required, shall, at the time of such emptying, efface, obliterate, and destroy the stamp thereon, and also all other marks or brands which shall have been placed thereon in accordance with the law or regulations concerning imported liquors. Every cask or other package from which the stamp for imported liquors required by this act to be placed thereon shall not be effaced, obliterated, or destroyed on emptying such package, shall be forfeited, and the same may be seized by any officer of internal revenue wherever found; and all the provisions and penalties of section thirty-three hundred and twenty-four of the Revised Statutes of the United States, relating to empty casks or packages from which the marks, brands, or stamps have not been effaced or obliterated, and relating to the removal of stamps from packages, and to having in possession any stamps so removed, shall apply to the stamps for imported spirits herein provided for, and to the casks or other packages on which such stamps shall have been used.

Section 13, act of March 1, 1879, as amended by section 13, act of May 28, 1880, provides—

That if any person shall purchase or sell, with the imported-liquor stamp herein required remaining thereon, or any of the marks or brands which shall have been placed thereon in accordance with the laws or regulations concerning imported liquors remaining thereon, any cask or other package, after the same has been once used to contain imported liquors and has been emptied; or if any person shall use or have in possession such cask or package, with any imitation of such marks or brands, for the purpose of placing domestic distilled spirits therein for sale, every such cask or package, with its contents, if any, shall be forfeited to the United States. And every such person who shall violate any of the provisions of this section shall be liable to a penalty of two hundred dollars for every such cask or package so purchased, sold, manufactured, used, or had in possession.

The attention of collectors is called to the provisions of the law printed above, and they will take all necessary steps to secure strict compliance therewith in their respective districts, and will at once report any violations thereof to the Commissioner of Internal Revenue.

From all these provisions it is clear that the intent of the law is to require that the marks, stamps, and brands on any cask of spirits shall be effaced and destroyed at the time the cask is emptied, and the responsibility of doing this is placed upon the person emptying it. The terms "efface and obliterate" must be understood to mean a complete destruction, so as to leave no part or portion of the marks, stamps, or brands legible or intelligible. Persons who have possession of, deal in, or are engaged in the transportation of empty spirit casks or packages should understand their liability. If they violate the law the penalties,

though severe, must be enforced, and ignorance of its provisions, negligence or carelessness on the part of themselves or their subordinates is not sufficient excuse.

AFFIXING, CANCELLATION, AND COVERING OF STAMPS.

By virtue of section 3322, Revised Statutes, it is hereby prescribed that the affixing, cancellation, and covering of stamps, including export stamps, placed on casks or other packages containing distilled spirits, shall be done in the following manner, viz:

Affixing.—The affixing of stamps, other than wholesale liquor-dealers' and fruit distillers', will be done by the gauger, and, when at a distillery, in the presence of the storekeeper.

In attaching the stamps care will be taken to see that the surface of the head of the cask or package where the stamp is to be placed is clean and smooth, and free from any paint or oily substance, or any substance which would have a tendency to cause the stamp to crack or peel off; and that the paste or glue furnished is of the best quality, strong and well-mixed, and every way suitable for attaching the stamp to the wood. Transparent varnish, or any other adhesive material which will cause the stamp to stick securely and permanently, may be used for that purpose.

In affixing stamps other than those having a slip of paper attached to the back, one tack will be carefully driven in each corner of the stamp, one in the center, and one in the center of each side, making seven tacks in all.

When attaching the stamps, a portion of which is required to be cut out when the casks to which they are attached are emptied, eight tacks will be used for each stamp, as follows: One to be driven in each of the four corners, one in each side near the middle, and two near the center above and below the portion to be cut out.

The tacks will be carefully selected, and none but those having well-set heads will be used, the size to be governed by the thickness of the head of the package to be stamped. A 5 gallon keg will not, of course, bear so large and long a tack as a 40 gallon cask.

The head of the cask to which the stamps, and accompanying marks and brands, are affixed is termed the "stamp head," and the head to be used for this purpose is the one to which the rod is applied in determining the head diameter. When both heads are measured either may be taken as the stamp head.

No marks, brands, caution notices, or other devices whatsoever, will be permitted on the "stamp head" which will in any manner cover,

obscure, or interfere with the stamps, marks, and brands required to be affixed by law and regulations, which latter must all be put on the stamp head, leaving the other head to be used by the owner. (See instructions as to "Imitation stamps" herein.)

Cancellation.—The stamp having been affixed, it must immediately be canceled. For this purpose the gauger will use a stencil plate of brass or copper, in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch beyond each side of the stamp, on the wood of the cask; and the name of the gauger must be cut on one end of the plate, and his title, viz, "U. S. Gauger," and district on the other end, perpendicular to the lines. This plate must be imprinted, with black durable coloring material, over and across the stamp, as indicated, and the stencil plate will be so set as to bring the five parallel waved lines across the stamp at such points as will least obscure the reading, and the coloring material will be so applied with the brush as to make these lines distinct, without blotting or spreading over the stamp. The stencil plates, with the edges of the cuttings of the lines, letters, and figures, will be kept clean, and the coloring material will be carefully examined to see that it is of a quality which will flow readily without spreading and will make a distinct and durable mark.

Covering.—The stamp having been affixed and canceled, it must be immediately covered with a coating of transparent varnish. No varnish will be used which is not transparent, or which is oily enough to affect in the least the paste on the stamp.

Parties for whom spirits are gauged are required to furnish all the help needed to handle the cask or package; to furnish the paste or glue, tacks, varnish, paint, or coloring material, brushes, stencils, branding irons, vessels, and every necessary facility for the preparation of the cask or package to be put upon the market, except the instruments for weighing and gauging the spirits. The above requirement as to supplying "stencils" is not to be construed as applying to the gauger's canceling stencil, bearing his name, title, and district, as this must be provided by the gauger, and kept continually in his possession. The gauger being authorized to require all this, and to receive from the Government his fee for the work performed, he is in turn held responsible that when the cask or package leaves his hands the legal preparation for marketing is every way complete.

Stamps may be tacked and varnished by a person other than the gauger, under the direct personal supervision of the gauger.

UNITED STATES INTERNAL-REVENUE GAUGERS.

APPOINTMENT OF GAUGERS.

Section 3156, U. S. Revised Statutes, confers the power of appointing United States internal-revenue gaugers upon the Secretary of the Treasury, and the act of August 15, 1876 (section 3153 *a*, compilation of 1889), empowers him, upon the recommendation of the Commissioner of Internal Revenue, to impose the duties of storekeeper and gauger upon one officer where the amount of spirits produced at the distillery to which such officer may be assigned is not sufficient, in the judgment of the Commissioner, to warrant the employment of two officers to perform the separate duties of storekeeper and gauger.

Persons holding commissions as "storekeeper and guager" will comply strictly with the instructions contained herein for the government of gaugers while exercising the functions pertaining to that office.

Whenever it becomes impracticable for collectors to secure the services of persons who will accept the office of gauger, owing to the inadequency of the compensation, they will be permitted to nominate for appointment as gaugers one or more of their deputies, who will perform the work without extra compensation or fees, but actual traveling expenses incurred for gauging will be allowed.

A deputy collector should not, however, serve as gauger while acting as collector, or when deputed for the sale of stamps, or engaged in any other duty incompatible with that of gauger.

FOR WHAT PURPOSE APPOINTED.

Under the internal-revenue system of the United States, distilled spirits are made largely the source of income to the Government, secured by laying a tax upon each proof gallon produced when the spirits are at or above proof, and each wine gallon when the spirits are below proof. United States internal-revenue gaugers are appointed to correctly determine the number of such gallons of spirits produced and drawn into casks or packages to be put upon the market, and to make record of the same by the required marks, brands, and stamps upon the casks or packages, and upon required reports.

GAUGERS' FEES AND EXPENSES.

Section 3157, Revised Statutes, provides that "gaugers shall be entitled to receive such fees, to be determined by the quantity gauged, as may be prescribed by the Commissioner of Internal Revenue; and said fees, together with their actual and necessary traveling expenses, shall

be verified by their oaths, and shall be paid by the United States monthly." (For schedule of fees and instructions respecting allowances for expenses, see Gauger's Manual.)

BEFORE ASSIGNMENT TO DUTY.

Before any United States internal revenue gauger can be assigned to duty he must "take an oath faithfully to perform his duties, and shall give bond, with one or more sureties, satisfactory to the Commissioner of Internal Revenue, for the faithful discharge of the duties assigned to him by law or regulations; and the penal sum of said bond shall not be less than five thousand dollars." (See section 3156, U. S. Revised Statutes.)

UNDER WHOSE DIRECTION SERVICES TO BE RENDERED.

Section 3156 directs that "the duties of every such gauger shall be performed under the supervision and direction of the collector of the district to which he may be assigned, or of the collector in charge of exports at any port of entry to which he may be assigned." The collector may assign gaugers to duty at any place within his district, or transfer them from one place of duty to another within the district. The special attention of collectors is directed to the importance of exercising a strict surveillance of the gaugers who are thus placed under their supervision, and of requiring of them a full compliance with the law and regulations in the discharge of their duties.

Under the provisions of the act of August 15, 1876 (section 316 *a*, compilation of 1889), the Commissioner of Internal Revenue is empowered to suspend or transfer gaugers, and in the exercise of this authority he will transfer gaugers from one district to another when, in his judgment, such course will best subserve the interests of the service.

UNITED STATES INTERNAL-REVENUE GAUGERS TO FOLLOW LAW AND REGULATIONS, ETC.

Section 3249, U. S. Revised Statutes, authorizes the Commissioner of Internal Revenue to "prescribe rules and regulations to secure a uniform and correct system of inspection, weighing, marking, and gauging of spirits." The condition of the bond required of gaugers is that they will faithfully discharge the duties assigned them by law or regulations. Their first efforts after appointment should be to acquire a thorough knowledge of all the requirements of the law and regulations relating to their office. The important bearing of their duties upon the reve-

nue and commercial interests of the country imperatively demands that carefulness and accuracy of execution should be observed at all times. This can only be secured by those appointed to the office of gauger qualifying themselves fully in all the duties pertaining to their position before commencing work.

GAUGING INSTRUMENTS.

Section 3249, Revised Statutes, authorizes the Commissioner of Internal Revenue to prescribe for use such hydrometers, weighing and gauging instruments, or other means for ascertaining the strength and quantity of spirits subject to tax, as he may deem necessary.

Standard gauging rod.

The instrument known as the Prime & McKean combination gauging rod is prescribed by the Commissioner for finding the capacity of casks and packages, which instrument must be procured and used by all internal-revenue gaugers, and by all persons holding commissions as storekeeper and gauger.

Applications for the rod, or for any portion thereof, must be addressed to the Commissioner of Internal Revenue, and, at the same time, the price in a money postal order, or certified check, must be forwarded to the *National Metropolitan Bank, of this city*, payable to the order of that bank. *In no instance must the remittance be sent to this office, or be made payable to the order of the Commissioner.*

The prices of the rods are as follows:

44-inch solid metal rod complete	$10.00
44-inch solid metal rod proper	4.20
44-inch fixed caliper	1.50
44-inch sliding caliper	1.30
44-inch mean diameter scale	2.00
44-inch head slide	1.00
62-inch solid metal rod complete	12.00
62-inch solid metal rod proper	5.00
62-inch fixed caliper	1.70
62-inch sliding caliper	1.60
62-inch mean diameter scale	2.50
62-inch head slide	1.20

Wantage rod.

For determining the wantage, or ullage, in casks, Prime's patent wantage rod is prescribed, the price of which is $3.25.

This instrument must be procured and used by all officers who are required to procure the standard gauging rod, and application and payment for the wantage rod must be made in the same manner as directed in the case of the gauging rod.

Hydrometers.

The standard hydrometers, for weighing or determining the proof of distilled spirits, are supplied for the use of internal-revenue gaugers, at the expense of the Government, on the application of collectors, which application should be addressed to the Commissioner of Internal Revenue.

These instruments are necessarily expensive, in consequence of the strict accuracy required in their manufacture, and internal-revenue officers are, therefore, expected to exercise due economy in making requisition for the same, as well as care in their use.

Neither full nor partial sets should be ordered in excess of the immediate demands of the service. Where, however, the needs of the service justify, a limited supply of hydrometer stems and thermometers will be furnished to collectors on requisition, in order that loss by breakage may be replaced without delay.

It is required that report be made to this office immediately upon the issue of any instrument from the stock on hand, stating to whom the instrument was issued, and the occasion of such issue.

Complete sets of hydrometers will not be supplied to districts in excess of the number of qualified gauging officers therein, except that, when deemed necessary, an extra set will be furnished, to be retained in the collector's office, for use in testing the other instruments in the district.

Where an extra set is on hand for such use, it will be issued to a gauger requiring the same, on the receipt of a new set, so that the set last received will be constantly retained for use as a standard.

When collectors have a standard hydrometer in their office they will cause the Government instruments within a reasonable distance to be tested at stated intervals, and all the sets in the district will be tested as often as once in six months.

Gaugers will be required to make an occasional test of the instruments in their hands by comparing, in spirits of the proper strength, a stem of a lower per cent with the stem of the next higher per cent, at or between the points where both stems indicate the same per cent.

When requisition is made for sets of hydrometers to replace defective ones, the nature of the defect must be explicitly stated; and also

whether the defect is in the stems, the cup, the thermometer, or the case. When extra stems are required, the highest and lowest numbers on each such stem must be stated, in order to secure accuracy in filling the requisition.

No. 1 stem reads from 0 to 100; No. 2 from 80 to 120; No. 3 from 100 to 140; No. 4 from 130 to 170; No. 5 from 160 to 200—ranging from water, marked 0, to absolute alcohol, marked 200.

Broken hydrometer stems and thermometers will not be returned to this office. If, however, such instruments are found to be incorrect and unbroken, they will be carefully packed and returned by express, first attaching to each instrument a statement showing the nature and extent of its inaccuracy, and where and by whom it was used.

United States internal-revenue gaugers will be held responsible for the careful usage of the hydrometers in their possession, and any carelessness in handling, resulting in the breakage of stems or other damage, will be noted against them. Upon retiring from office, or upon being transferred to another district, gaugers will turn in the hydrometers to the collector of the district in which they have been assigned, taking his receipt therefor.

Collectors will not approve the final account of a gauger retiring from the service until he has surrendered the Government instruments in his possession.

Collectors will make reports quarterly to the Commissioner of Internal Revenue—on Form 152, revised—showing the number of full and partial sets of hydrometers on hand at the beginning and close of the quarter, as well as received and disposed of during the quarter.

Any United States internal-revenue gauger using other than the standard instruments will be recommended for dismissal from office, and be held responsible upon his bond.

(For instructions as to use of instruments, see the Gaugers' Manual.)

ALLOWANCE FOR WANTAGE.

United States internal-revenue gaugers are strictly prohibited from making any allowance for wantage in casks of spirits gauged by them where no actual wantage exists.

When casks are not full, only the actual wantage, as determined by the wantage rod, will be allowed. No provision is made for reporting any fraction of a gallon as wantage except a half; but a wantage of one-half gallon is not to be allowed except when the wantage approaches one-half gallon; that is, unless the wantage is nearer one-half gallon than no wantage.

The same rule applies in reporting wantage greater than one-half gallon, viz, if the wantage is nearer 1 gallon than one-half gallon it will be called 1 gallon; if three-fourths of a gallon or nearer one-half gallon than 1 gallon it will be called a half-gallon.

Gaugers gauging for entry into distillery warehouse, at fruit distilleries whose daily spirit-producing capacity exceeds 100 proof gallons, and at rectifying houses, will decline to brand, mark, or stamp any package of distilled spirits of a capacity less than 63 wine gallons which has an ullage exceeding one-half of 1 wine gallon when the temperature of the spirits is 50° F. or above, or an ullage of over 1 gallon if the temperature is below 50° F.

No package of 63 gallons capacity and upward to 126 gallons will be branded, marked, and stamped if the ullage exceeds 1 gallon when the temperature of the spirits is at 50° F. or above, or if it exceeds 1½ wine gallons when the temperature is below 50°.

In packages of 126 gallons capacity and upward the wantage will be restricted to 2 gallons when the temperature of the spirits is at 50° or above, and to 3 gallons when the temperature of the spirits is below 50° F.

In case, however, a final package is insufficiently filled, because the distillery cisterns or the rectifying vats are exhausted, the actual wantage thus occurring in such final package will be marked and reported, and the fact noted on Form 59 or 59½, as the case may be.

Where an aging apparatus approved by this office is used in a distillery warehouse, if it be found to be necessary for the successful or convenient operation of the machine, and if the distiller so desires, an ullage of 1 gallon may be allowed for packages of less than 63 gallons capacity. When such ullage is allowed, gaugers will note on Form 59 as reason therefor that an aging apparatus is employed at that distillery, giving the kind of apparatus used.

Wantage in small packages at distilleries.

When casks or packages having a capacity not exceeding 20 gallons wine measure are gauged for entry into distillery warehouse or at fruit distilleries, a wantage of one-half gallon is not to be allowed, except when the wantage reaches one full half-gallon; that is, unless there is actually one full half gallon out of the package.

The same rule will apply as to allowing a wantage of 1 gallon; that is, no wantage in excess of one-half gallon will be allowed unless the actual wantage reaches a full gallon.

When, however, packages of this class are so constructed that their capacity, as ascertained from their dimensions, contains a fraction of a

gallon other than one-half, an actual wantage shall be required in such packages equal to such fraction, if it be less than one-half gallon; or, if it exceeds one-half, an actual wantage shall be required equal to the excess of the fraction above one-half gallon before such packages shall be gauged.

In addition to the wantage required in such cases, a further wantage of one-half gallon will be allowed when desired, provided the additional wantage fully equals one-half gallon.

CORRECTION OF VOLUME.

Correction of volume for temperature will be made on the entire contents of the cask. If the cask is full, the correction will be made upon the capacity of the cask. If the cask is not filled, the actual wantage will be subtracted before the correction is made. The standard for measuring volume being established at 60° F., the correction for expansion or increase of volume must be made by subtracting a per cent proportioned to the rise in temperature above 60°; and the correction for contraction or decrease in volume by adding a per cent proportioned to the fall in temperature below 60°. Such per cent will be found in the right-hand column in Table No. 5 of the Gauger's Manual.

In computing correction of volume gaugers should bear in mind the fact that the decimals in the right-hand column on each page of said Table No. 5 represents the correction required to bring 100 gallons of spirits, at the given temperature, to its volume or quantity at the standard temperature, 60° F. Thus "0.5 subt." indicates that the spirits at the given indication and temperature would contract .5, or one-half of a gallon, to every 100 gallons should the temperature of the spirits decline to 60° F.

After having deducted the actual wantage from the capacity of the cask and multiplied the apparent contents by the decimal of correction to volume, should there be a fraction of a wine gallon in the product less than twenty-five hundredths (.25), the fraction will be dropped; if twenty-five hundredths (.25) or any intermediate fraction to and including seventy-five hundredths (.75), it will be called one-half gallon; if above seventy-five hundredths (.75), it will be called a whole gallon. The wine gallons thus found will be cut upon the bung stave of the cask in a legible manner. This will be done by cutting the full capacity of the cask, with the wantage immediately beneath, and under this the correction to volume, followed by the sign (+), if the correction is added, or minus (—) if subtracted, and in all instances the true contents in wine gallons must be made to thus appear. Multiply the true wine gallons

of the contents, as cut upon the cask, by the per cent of proof (which must also be cut on the bung stave when gauging at distilleries), and the product will be the number of proof gallons of spirits in the cask, which number will be cut upon the bung stave after the per cents of proof, retaining in this instance fractions as found to two decimal places.

VARIETIES OF CASKS.

Casks are classed into three varieties, and the distinction consists in the curvature of the staves at what is termed the quarter-hoop; that is, at a point midway between the bung and chimb.

Those casks having the least curvature are termed the first variety; those having a medium curvature, the second variety; and those having the greatest curvature, the third variety.

No fixed inflexible rule for classifying casks is practicable, and therefore gaugers must exercise their judgment and discretion in determining under which variety casks should properly be gauged. The second variety cask is the one ordinarily in use.

Where casks are gauged as the first or third variety, the variety will be cut upon the bung stave after the proof gallons—thus, 1–V, 3–V.

Rule for finding the capacity of a cask.

Find the mean diameter of the first variety of casks by multiplying the difference between the head diameter and the bung diameter by the decimal .55 and adding the product to the head diameter, the sum being the mean diameter; of the second variety, by multiplying the difference between the two diameters by the decimal .63 and adding the product to the head; of the third variety, by multiplying by the decimal .70 and adding the product to the head. Having thus found the mean diameter, multiply the square of the mean diameter, in inches, by the decimal .0034, which is substantially the same as dividing by 294, being the number of cylindrical inches in a wine gallon, and the product will be the wine gallons in 1 inch in length. Multiply this by the length in inches, and the product will be the capacity of the cask in wine gallons.

Rules for gauging cisterns or tubs.

Take the dimensions in inches and tenths of inches. Add together the square of the top diameter, the square of the bottom diameter, and four times the square of the midway diameter (ascertained by adding the top and bottom diameters together and dividing by 2), and divide the sum by 6, which gives the square of the true mean diameter; mul-

tiply this by the height of the cistern, and the product will be the capacity in cylindrical inches. As there are 294 cylindrical inches in a gallon, divide this last product by 294, and the quotient is the number of gallons contained in the cistern.

Example.

108 inches, top diameter.
120 inches, bottom diameter.

Divided by 2) 228

114 Midway diameter.
100 in height.

$$108 \times 108 = 11664$$
$$120 \times 120 = 14400$$
$$114 \times 114 \times 4 = 51984$$
$$78048 \div 6 = 13008.$$
$$13008 \times 100 \div 294 = 4424 + \text{gallons.}$$

Should the cistern be full or warped so as not to be a perfect circle, or otherwise in such condition that the diameter of the bottom can not be taken, the following rule, though not mathematically correct, is for all practical purposes sufficiently so, the difference being only shown in large cisterns, where the difference between the top and bottom diameters is considerable.

Take the outside circumference of the cistern half-way between the bottom and top, divide this by 3.1416 (or multiply by 7 and divide by 22), and you have the mean diameter on the outside; deduct from this twice the thickness of the staves, and you have the mean inside diameter. Multiply this sum by itself and by the height, and the product by .0034; the product is the capacity of the cistern in gallons.

Example (dimensions being same as in last example).—Outside circumference of cistern, 367.5 inches; height, 100 inches; staves, 1½ inches thick.

$367.5 \div 3.1416 = 117 - 3$ inches $= 114$ inches; $114 \times 114 \times 100 = 1{,}299{,}600 \times .0034 = 4{,}418$ gallons.

(For instructions as to gaugers' reports, see the Gaugers' Manual.)

ALLOWANCE FOR LOSS OF SPIRITS WHILE IN WAREHOUSE.

Section 17 of the act approved May 28, 1880, provides that "Whenever the owner of any distilled spirits shall desire to withdraw the

same from the distillery warehouse, or from a special bonded warehouse, he may file with the collector a notice giving a description of the packages to be withdrawn, and request that the distilled spirits be regauged; and thereupon the collector shall direct the gauger to regauge the same, and mark upon each package so regauged the number of gauge or wine gallons and proof gallons therein contained. If, upon such regauging, it shall appear that there has been a loss of distilled spirits from any cask or package, without the fault or negligence of the distiller or owner thereof, taxes shall be collected only on the quantity of distilled spirits contained in such cask or package at the time of the withdrawal thereof from the distillery warehouse, or special bonded warehouse: *Provided, however*, That the allowance which shall be made for such loss of spirits as aforesaid shall not exceed one proof gallon for two months, or parts thereof, one and one-half gallons for three and four months, two gallons for five and six months, two and one-half gallons for seven and eight months, three gallons for nine and ten months, three and one-half gallons for eleven and twelve months, four gallons for thirteen, fourteen, and fifteen months, four and one-half gallons for sixteen, seventeen, and eighteen months, five gallons for nineteen, twenty, and twenty-one months, five and one-half gallons for twenty-two, twenty-three, and twenty-four months, six gallons for twenty-five, twenty-six, and twenty-seven months, six and one-half gallons for twenty-eight, twenty-nine, and thirty months, seven gallons for thirty-one, thirty-two, and thirty-three months, and seven and one-half gallons for thirty-four, thirty-five, and thirty-six months: *Provided, also*, That the foregoing allowance of loss shall apply only to casks or packages of a capacity of forty or more wine gallons, and that the allowance for loss on casks or packages of less capacity than forty gallons shall not exceed one-half the amount allowed on said forty-gallon cask or package; but no allowance shall be made on casks or packages of less capacity than twenty gallons: *And provided further*, That the proof of such distilled spirits shall not in any case be computed at the time of withdrawal at less than one hundred per cent."

The maximum allowance for each of the periods named in said section 17, in the case of a cask or package of 40 or more wine gallons capacity, may be stated in tabular form as follows:

Not to exceed 1 proof gallon for two months or part thereof.

Not to exceed 1½ proof gallons for more than two months and not more than four months.

Not to exceed 2 proof gallons for more than four months and not more than six months.

Not to exceed 2½ proof gallons for more than six months and not more than eight months.

Not to exceed 3 proof gallons for more than eight months and not more than ten months.

Not to exceed 3½ proof gallons for more than ten months and not more than twelve months.

Not to exceed 4 proof gallons for more than twelve months and not more than fifteen months.

Not to exceed 4½ proof gallons for more than fifteen months and not more than eighteen months.

Not to exceed 5 proof gallons for more than eighteen months and not more than twenty-one months.

Not to exceed 5½ proof gallons for more than twenty-one months and not more than twenty-four months.

Not to exceed 6 proof gallons for more than twenty-four months and not more than twenty-seven months.

Not to exceed 6½ proof gallons for more than twenty-seven months and not more than thirty months.

Not to exceed 7 proof gallons for more than thirty months and not more than thirty-three months.

Not to exceed 7½ proof gallons for more than thirty-three months and not more than thirty-six months.

The loss to be allowed on casks or packages of less than 40 wine gallons capacity and not less than 20 wine gallons capacity must not exceed one-half the amount allowed on casks or packages whose capacity is 40 wine gallons and upward, and no allowance must be made for the loss in casks or packages of less capacity than 20 wine gallons.

It will be seen that where the loss of spirits while in warehouse does not exceed the statute limit the tax is to be collected on the proof gallons contents as shown by the regauge.

Where the loss exceeds the statute limit, the tax will be collected on the number of proof gallons contents, as shown by the original gauge, less only the loss allowed by law.

Examples.

1. A package, the original contents of which were 50 wine gallons, 50 proof gallons, and 50 taxable gallons, when regauged after remaining in warehouse thirty-five months, is found to contain 45 wine gallons and 45 proof gallons. The taxable gallons in this case are 45, and the tax-paid stamp will represent 45 gallons.

2. A package, the original contents of which were the same as the foregoing, remaining in warehouse the same length of time, is found

upon regauge to contain only 40 wine and 40.40 proof gallons. The maximum allowance in this case is 7.50 proof gallons Deducting this amount from the original proof gallons leaves 42.50 proof gallons and 43 taxable gallons.

3. A package, original contents and period in warehouse same as foregoing, is found on regauge to contain 46 wine gallons, 45.08 proof gallons. The taxable gallons contents are 46.

4. A package, original contents 45 wine gallons, 45.45 proof gallons, 45 taxable gallons, upon regauge, after remaining in warehouse 30 + months, is found to contain 37 wine gallons, 37.37 proof gallons. The loss in this case being excessive, the loss allowed by law (7 gallons) being deducted from the original proof gallons contents gives 38.45 proof gallons, or 38 gallons on which the tax is to be paid.

5. A package of 38 gallons capacity, containing originally 52.50 proof gallons, when regauged, after remaining in warehouse 3+ months, is found to contain 51.43 proof gallons. The statute permits an allowance of only .75 of a proof gallon for the loss in this case, as the capacity of the cask is less than 40 wine gallons; therefore, the tax should be paid on 51.75 proof gallons, the taxable gallons being 52.

It will be observed that in cases where the loss exceeds the statute limit the proof gallons upon which the tax is due may be ascertained by deducting the maximum allowance from the actual loss and adding the remainder to the present proof gallons contents. Thus, referring to example No. 2 above, 9.60—7.50=2.10; and 2.10+40.40=42.50.

MARKING, BRANDING, AND STAMPING OF CASKS OR PACKAGES OF DISTILLED SPIRITS.

(On entry into distillery warehouse.)

All spirits produced by distillers who use other materials than apples, peaches, or grapes must be entered in the distillery warehouse and duly withdrawn therefrom as provided by law.

When such spirits are drawn from the receiving cisterns they must be gauged, proved, and marked, and the gauger will affix the distillery-warehouse stamp, and cancel the same in the manner hereinafter directed, in the presence of the storekeeper. He will also legibly cut upon the bung stave, on the side of the bunghole nearest the "stamp head," in the manner directed therein, the number of wine gallons, the proof, and the number of proof gallons of spirits contained in each cask. At the same time the gauger will cut with a die, or burn upon the head of each cask, its serial number in figures large enough to be easily read, and the serial number of the distillery-warehouse stamp

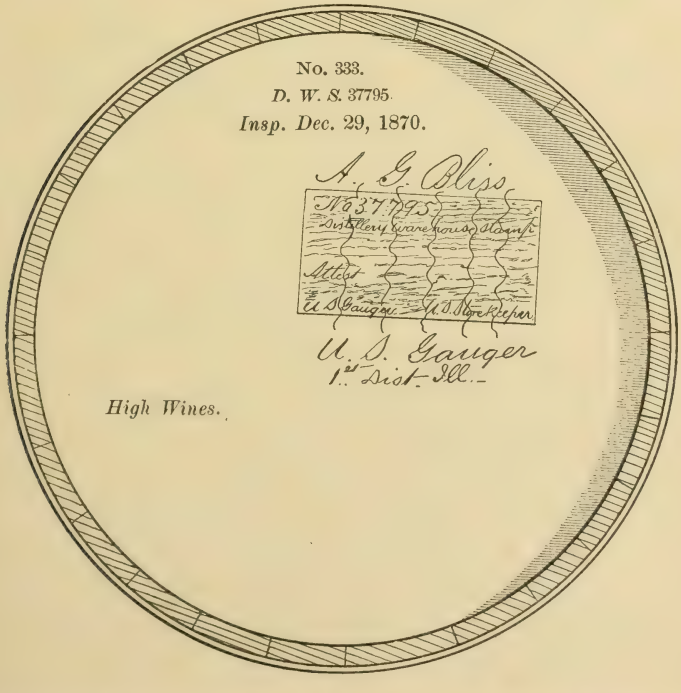
in like legible figures immediately under the serial number of the cask. The word "cask," when used alone herein, will be taken to include any package used to contain distilled spirits.

Fractions of proof gallons must be ascertained, marked, and reported in all cases, but the tax will be collected on the fraction of a gallon as if it were a whole gallon where the fraction is one-half or over; but where it is less than one-half such fraction will be dropped.

The serial number for every distillery must begin with number one (No. 1), with the first cask deposited, and no two or more casks warehoused at the same distillery may be marked with the same number.

The gauger will also mark or brand, with a die, stencil, or branding iron, on the head of the cask, in letters not less than 1 inch in length, the particular name of the spirits as known to the trade, which mark or brand will be varied to suit whatever kind is contained in the package, as "high wines," "rye," "Bourbon," or "copper-distilled" whisky, as the case may be.

He will also mark the date of inspection, so that the head of the cask will appear as follows:



Whenever a stamp is affixed to a stamp or package of distilled spirits it must immediately be canceled. For this purpose the gauger will

use a stencil plate of brass or copper, in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch beyond each side of the stamp, on the wood of the cask; and the name of the gauger must be cut on one end of the plate, and his title, viz, "U. S. Gauger," and district, on the other end, perpendicular to the lines.

The refilling at distilleries of casks or packages, previously filled at the same distillery with distilled spirits, is prohibited; and all gauging officers assigned to duty at distilleries are instructed to decline to gauge, mark, or stamp such refilled casks or packages, and should such vessels be hereafter presented for gauging, their contents shall be transferred to other packages before being gauged.

Gaugers will decline to gauge casks or packages having a capacity not exceeding 20 gallons, wine measure, and containing spirits the temperature of which has been artificially changed, until the spirits have either reached a point varying not more than 10° F. from the standard temperature of 60° F., or a point varying not more than 5° F. from the existing temperature of the open air.

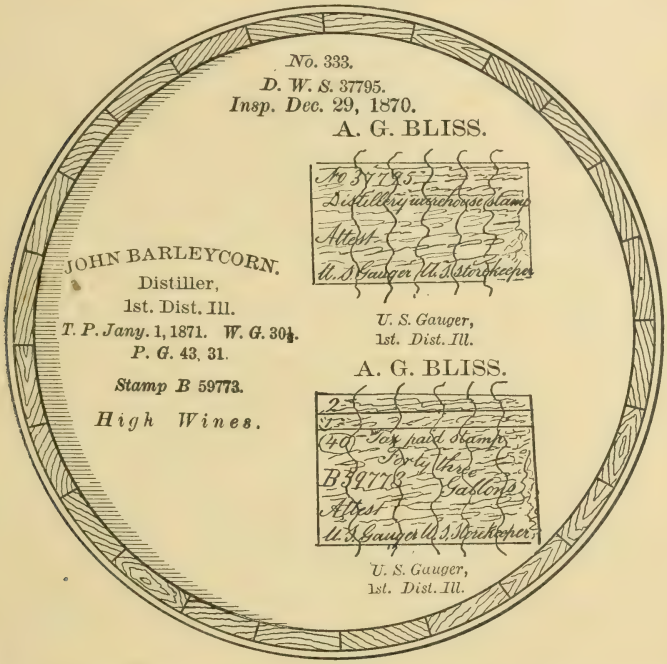
On withdrawal from distillery warehouse.

When spirits are withdrawn from distillery warehouse on payment of the tax, the tax-paid stamp must be affixed and canceled, and upon the head of each cask must be cut or burned the name of the distiller, the district, the date of the payment of the tax, and the number of the tax-paid stamp, and the gauger will also mark on the head of the cask the number of gauge or wine gallons, and proof-gallons contents, and if regauge is made, cut on the bung stave, on the side of the bunghole opposite to the "stamp head," and in the manner herein directed, the number of wine gallons, the proof, and the number of proof gallons of spirits therein contained as ascertained by the regauge.

When there is no regauge the gauger will cut or burn on the "stamp head" the number of proof gallons as determined by the original gauge.

All of the branding required to be applied to the head, except the date, number of proof gallons, and the number of the stamp, may be burned upon the cask prior to its being filled at the cisterns, and the date and numbers cut with a die at the time the tax-paid stamp is attached. The letters and figures constituting any brand or mark must in all cases be large enough to be easily read.

The following cut illustrates the marks, brands, and stamps required to be applied to the head of the cask when regauged on withdrawal from distillery warehouse on payment of tax:



When spirits are not regauged on withdrawal, the number of wine gallons is not required to be shown on the head of the cask.

When spirits are regauged on withdrawal from warehouse, the stamp must be affixed by the gauger by whom the regauge was performed.

On withdrawal from distillery or special bonded warehouse for exportation.

When spirits are withdrawn from a distillery warehouse and intended for export, the gauger, in addition to affixing and canceling the export stamp, will cut or burn upon the head of a cask, in letters or figures not less than half an inch in length, the name of the distiller, the district and State in which the distillery warehouse is located, the date of withdrawal, the number of export stamp, and the name of the port or place from which the spirits are to be exported, and the number of wine and proof gallons contents, as then ascertained, will be marked on the head and cut on the bung stave, on the side of the bunghole

opposite to the "stamp head." Such cutting, marking, or branding on the head will be as follows:

John Smith & Co.,
Distillers,
6th Dist., O.
Withd'n Jan. 10, 1873. W. G. 44. P. G. 44.
Ex. Stamp 385.
To New York for Export.

When the withdrawal for export is from a special bonded warehouse the number of the warehouse and the district in which it is located will also be inserted before the description of the export stamp, as follows:

S. B. W. 1, 1st Dist. Cal.
Ex. Stamp 385.
To New York for Export.

On change of packages in warehouse for exportation.

When a change of packages of distilled spirits is made in distillery warehouse for exportation, the gauger will affix the export stamp to the head of the new casks, and cancel the same.

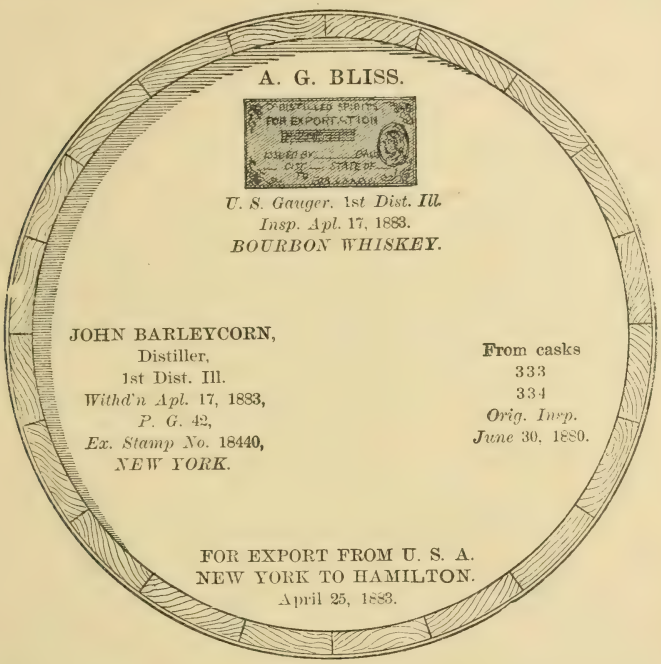
He will also legibly and durably mark on the head of each cask, in letters and figures not less than one-half inch in length, the date of inspection, the kind of spirits as known to the trade, the date of withdrawal, the number of the export stamp, and the port to which the spirits are to be shipped for export.

There shall also be cut or burned on the head of the cask, at or before the time of filling thereof, the name of the distiller and the district where such spirits were produced.

The gauger will also cut upon the bung stave of the cask the number of wine and proof gallons, and on the head the number of proof gallons, and also the words "From cask," and the figures denoting the serial number of the cask from which the contents of the new cask were obtained, and the date of its original inspection.

In case the new package is filled from two or more old packages, the serial numbers will be placed beneath the words "From casks," and beneath each other in the order in which the old packages contributed in quantity of spirits to the filling of the new package, so that the first serial number will be taken from the old package which furnished the largest quantity of spirits to the new package. The second number will represent the package contributing the second largest quantity of spirits, and so on.

The following cut illustrates the marks, brands, and stamp to be applied to the head of the new cask when change of packages is made for exportation:



In case the change is made in a special bonded warehouse the designation of the warehouse by number and district will also be given, abbreviations as in the following example being used, viz: "S. B. W. 1, 1st Cal."

That portion of the brand at the foot of the above diagram commencing "For export" is to be applied by the customs gauger at the port of entry.

On withdrawal of distilled spirits from distillery warehouse for transfer to manufacturing warehouse.

When distilled spirits are withdrawn from distillery warehouse for transfer to manufacturing warehouse under the provisions of section 20, act of March 1, 1879, as amended by act of May 28, 1880, in addition to affixing the export stamp, the gauger will cut with a die, or burn upon each cask, in letters and figures not less than half an inch in length, the name of the distiller, the district, the date of the withdrawal, the number of the export stamp, and the name of the port to which the spirits are consigned for deposit in a manufacturing warehouse; and

the number of wine and proof gallons contents, as then ascertained, must be marked on the head and cut on the bung stave, on the side of the bunghole opposite to the stamp head:

The brand may be abridged in the following manner:

John Smith & Co.,
Distillers,
6th Dist., O.
Withd'n Jan. 10, 1879. W. G. 44. P. G. 44.
Ex. Stamp 385.
To New York for deposit in M'f'g W. H.

When the withdrawal is from a special bonded warehouse the number and district of the warehouse should be given in the brand.

The brand may be abridged as follows:

John Smith & Co.,
Distillers,
6th Dist., O.
Withd'n Jan. 10, 1879. W. G. 44. P. G. 44.
S. B. W. 1, 1st Dist., Cal.
Ex. Stamp 385.
To New York for deposit in M'f'g W. H.

On withdrawal of alcohol from distillery warehouse for scientific purposes, or of any distilled spirits for the use of the United States, free of tax.

When alcohol is withdrawn from distillery warehouses for scientific purposes under the provisions of section 3927, Revised Statutes, or any distilled spirits are withdrawn from a distillery warehouse or a special bonded warehouse for the use of the United States under section 3464, the gauger will legibly and durably mark on the head of each cask, in letters and figures not less than half an inch in length, the number of proof gallons as then ascertained, the date of the permit granted by the Secretary of the Treasury for such withdrawal, the object for which the withdrawal is made, and his name, title, and district.

Such marking will be as follows:

Withdrawn under permit issued June 1, 1888,
For Scientific Purposes
or (For use of U. S.) P. G. 44.
Richard Roe,
U. S. Gauger,
5th Dist., Ill.

On change of package in distillery warehouse to prevent leakage.

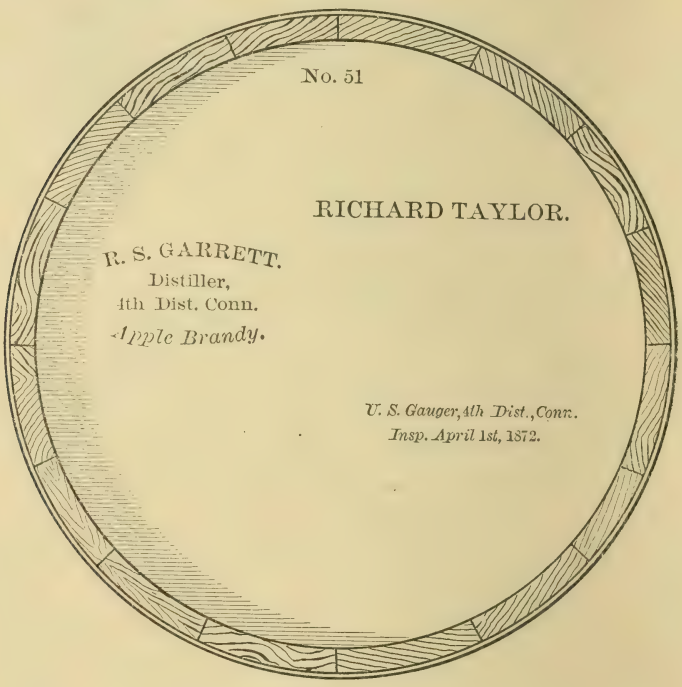
When it becomes necessary, in order to prevent leakage or wastage, to change a package in a distillery warehouse, *i. e.*, to draw off the contents of a cask bearing the distillery-warehouse stamp and the accompanying marks and brands, and to place the same in a new cask, the spirits must be again inspected and gauged, the number of wine and proof gallons must be cut upon the bung stave, and the gauger will legibly mark, in a durable manner, upon the head of the cask, his name, office, district, date of inspection, and name of the spirits as known to the trade. At the same time he will cut or burn on the head of the cask the name of the distiller, the distillery where such spirits were produced, and the serial number of the original package, together with the serial number of the warehouse stamp, and directly beneath this latter the number of proof gallons originally contained in the cask, so that the head of the cask will appear as shown in the following illustration:

FRUIT BRANDY.

On gauging fruit brandy the gauger will cut upon the bung stave the number of wine gallons, the proof, and number of proof gallons of

spirits contained in each cask, and upon the head of the cask will be cut or burned the name of the distiller, the district, and the serial number of the cask, and the particular name of the spirits must be marked or branded thereon.

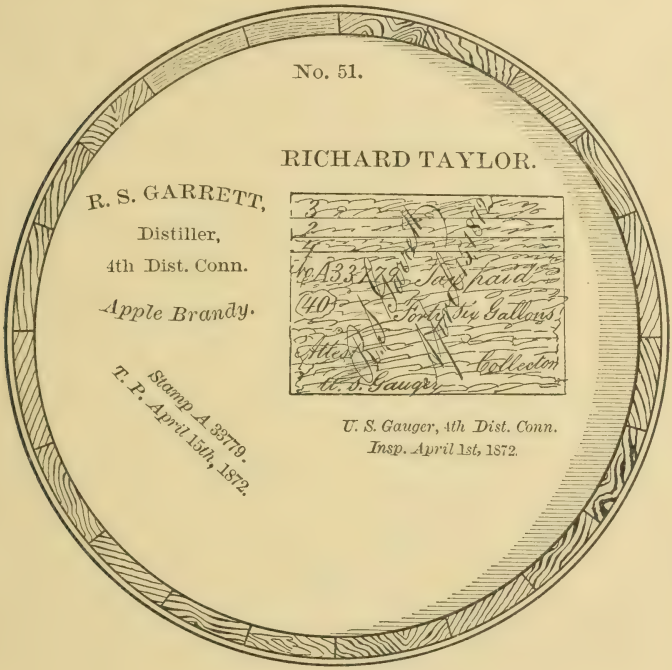
The gauger will also legibly and durably mark on the head of each cask his name, office, district, and date of inspection, which marking must be performed in such manner as to admit of the attaching of the tax-paid stamp between the name and office. This marking and branding upon the head of the cask will be done as follows:



Upon the receipt from the collector by the distiller of the tax-paid stamps for the packages of brandy previously gauged, marked, and branded by the gauger, the distiller shall affix the same upon the head of each package in a secure and permanent manner by pasting the same upon the head of the casks, in the space between the name and office of the gauger, and by driving tacks—one in each corner and one in the middle of each of the four sides of the stamp—making not less than eight in number; and shall cancel the same by writing across the face of the stamp his name and the date upon which the stamp is affixed, and varnish the stamp with a transparent varnish, so as to protect it from removal or damage by exposure; and shall cut or burn in legible

figures upon the head of each cask the serial number of the stamp attached thereto and the date of the payment of the tax. In attaching the stamps the distiller must be careful to attach each stamp to the cask the serial number of which is given in the stamp.

The marking, branding, and stamping to be as follows:



On removal of fruit brandy from distillery to special bonded warehouse.

When brandy made from apples, peaches, or grapes is gauged for removal in bond from the distillery to a special bonded warehouse the gauger will cut on the bung stave of each cask, on the side of the bunghole nearest the stamp head, the number of wine gallons, the proof, and the number of proof gallons of spirits contained therein.

He will also cut with a die, or burn upon the head of each cask, its serial number, the name of the distiller, the district, the date of removal, the number of proof gallons, the number of the special bonded-warehouse stamp, and the designation of the warehouse to which the grape brandy is to be removed, and mark or brand thereon the name of the spirits as known to the trade.

This brand may be abridged as follows:

No. 53.
*Grape Brandy.
R. S. Garrett, Distiller,
1st Dist., Cal.,
Withd'n Apr. 10th, 1877, P. G. 44.
S. B. W. S. 385.
To S. B. W. 5, 1st Dist., Cal.

The gauger will affix and cancel the special bonded-warehouse stamp in the same manner as distillery-warehouse stamps are affixed and canceled.

The letters and figures, branded or cut as above specified, are to be in no case less than half an inch in length.

Removal of fruit brandy from one special bonded warehouse to another.

When fruit brandy is removed from one special bonded warehouse to another no additional gauging is required, unless a noticeable deficiency is observed. A stamp indicative of such intended removal, in addition to the one affixed upon removal from a distillery, is required to be affixed to each package and canceled by the officer in charge before the withdrawal from warehouse. The storekeeper will also add to the brand on the head of each cask words and figures indicating the date of the transfer, the number of the warehouse to which transferred, and the number of the rewarehousing stamp affixed. This additional brand may be abbreviated as follows:

Transf. June 10, 1877, S. B. R. W. S., 445, to S. B. W., 6, 1st dist., Cal.

On withdrawal of fruit brandy from special bonded warehouse, tax-paid.

When a cask or package of brandy produced from apples, peaches, or grapes is withdrawn from special bonded warehouse upon payment of the tax on the contents, as shown by the original gauge, the gauger on duty at the warehouse shall, in the presence of the storekeeper, and before the cask or package has left the warehouse, place upon the head thereof, in such manner as to cover no portion of any brand or mark prescribed by law already placed thereon, the tax-paid stamp indicating the payment of the tax on the spirits in the cask or package, as shown by the original gauge at the distillery; and, at the time of affixing the tax-paid stamp, the gauger shall, in the presence of the storekeeper, cut or burn upon the cask or package the date of the payment

*Or "apple" or "peach," as the case may be.

of the tax and the number of the stamp. This brand may be abridged in the following manner:

T. P. Dec. 5th, 1878. Stamp, 79976.

The letters and figures constituting this brand or mark must not be less than half an inch in length. The stamp will be canceled in the same manner as tax-paid stamps affixed to packages withdrawn from distillery warehouse are canceled.

When fruit brandy is withdrawn from special bonded warehouse upon payment of the tax under a regauge, in accordance with the provisions of section 17 of the act of May 28, 1880, the gauger will cut on the bung stave of each cask, on the side of the bunghole opposite to the stamp head, the number of wine gallons, the proof, and the number of proof gallons contents found by the regauge. He will also affix and cancel the tax-paid stamp and cut or burn on the head of the cask the number of the tax-paid stamp, the date of the payment of the tax, and the wine and proof gallons contents as then ascertained. (For instructions regarding the marking, branding, and stamping of fruit brandy on withdrawal from special bonded warehouse for exportation, for transfer to manufacturing warehouse, or for the use of the United States, see regulations relative to withdrawals from special bonded warehouses on pp. 124, 125, and 127 herein.)

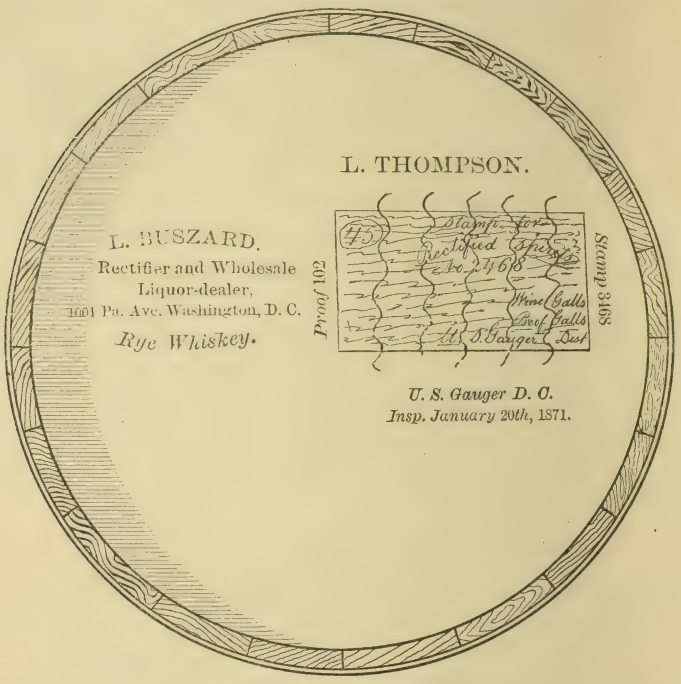
RECTIFIED SPIRITS.

Spirits subjected to any of the processes of rectification must be put up in casks, inspected, and gauged, and, in addition to attaching the stamp for rectified spirits and canceling the same, the gauger will cut upon the bung stave the number of wine and proof gallons, and mark upon the head of each cask, with the stencil plate, in durable ink, his name and office, the date of inspection, the particular name of such spirits as known to the trade, the proof, the name and place of business of the rectifier, and the serial number of the stamp for rectified spirits affixed thereto. Where rectified spirits are gauged, the proof of which can not be correctly determined by reason of the addition of saccharine or other matter, but which the hydrometer stem shows to have an apparent proof, the apparent proof will be marked on the head of the casks, preceded by the letters "A. P.," and the wine gallons only will be cut on the bung stave, in the usual manner. The letter "A" will be written on the stamp before the words "Proof gallons," and the apparent proof gallons will be entered in the appropriate space.

When spirits are gauged which contain so much saccharine or other material that no indication is shown on the hydrometer stem, the gauger will mark the cask or package "No proof," and report the wine

gallons only. This will be done by cutting an "O" where the true per cent of proof would otherwise appear upon the cask, by writing the wine gallons upon the stamp and the word "No" before the words "Proof gallons," and striking out the word "Gallons," so that it will read "No proof."

This mark or brand may be substantially as follows:



So much of the above marks as indicate the name and place of business of the rectifier, and the particular name of the spirits as known to the trade, may be applied by the rectifier, either before or after the casks are filled, in which case, if upon gauging the spirits the gauger finds that the marks thus applied do not correctly represent the facts, he shall cause immediate correction. The above brands or marks will be understood to represent that the package is a rectifier's original package, and that the spirits contained therein were rectified, refined, purified, redistilled, or compounded and put up by the party named as a rectifier, and at the place stated in such brands or marks.

MARKING AND STAMPING OF PACKAGES OF SPIRITS FILLED ON THE PREMISES OF WHOLESALE LIQUOR-DEALERS.

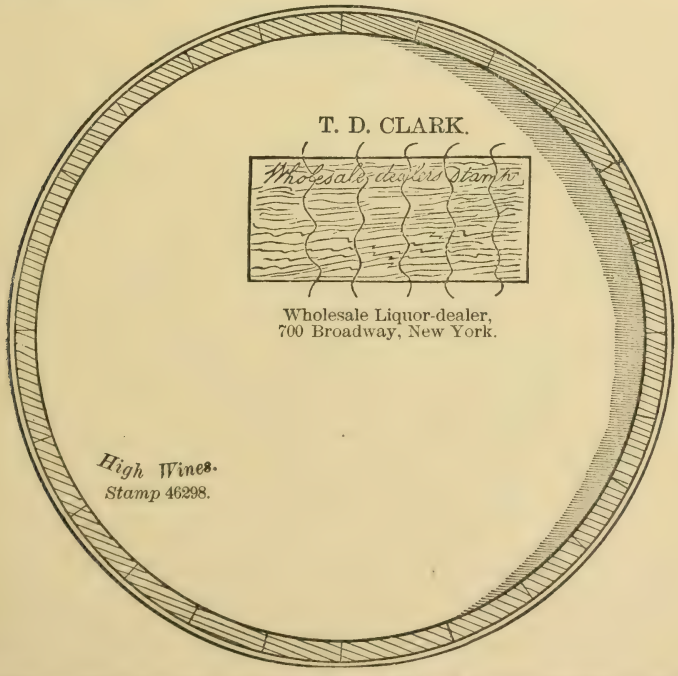
The stamps procured by wholesale liquor-dealers, as provided herein under the head of "Wholesale liquor-dealers' stamps," will be affixed and canceled in the following manner:

Affixing.—The stamps are to be securely affixed to a smooth surface

of the cask or package. That surface must not have been previously painted or covered with any substance. Transparent varnish, or any other adhesive material, which will cause the stamp to stick securely and permanently, may be used for that purpose.

Cancellation.—The stamp having been affixed, it must immediately be canceled. For this purpose the wholesale liquor-dealer will use a stencil plate of brass or copper, in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch beyond each side of the stamp or the wood of the cask; and the name and place of business of the wholesale liquor-dealer must be cut on one end of the plate, perpendicular to the lines. This plate must be imprinted, with blacking or durable coloring material, over and across the stamp as indicated and in such manner as not to deface the reading matter on the stamp—that is, so as not to daub and make it illegible.

In addition to the above the wholesale liquor-dealer will mark on the head of the cask the serial number of the stamp and the particular name of the spirits as known to the trade. This brand must be substantially as follows:



Covering.—The stamp having been affixed and canceled it must immediately be covered with a coating of transparent varnish.

(See instructions herein as to "Retail liquor-dealers.")

UNOFFICIAL OCCUPATIONS OF INTERNAL-REVENUE GAUGERS.

Gaugers are prohibited by section 3168, Revised Statutes, under penalty of dismissal from office and a heavy fine, from being or becoming interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, or in the production, rectification, or redistillation of distilled spirits, or in the production of fermented liquors.

Gaugers will not be permitted to be or to become interested, directly or indirectly, in the purchase or sale of distilled spirits, or fermented liquors.

Any gauger found to be so interested will be recommended for summary dismissal from office.

With the consent of collectors, gaugers are permitted to engage in any business, except as above, including gauging other than that performed in their official capacity, provided that such business or gauging does not in the least interferc with the efficient discharge of their official duties.

In the performance of commercial gauging, however, the prescribed United States standard instruments must be used, and the regulations governing official gauging in the ascertainment of the volume and proof of distilled spirits must be strictly observed.

Reports of such unofficial gauging must not be signed by gaugers in their official capacity.

Where it can be done without interfering with the proper discharge of their official duties, internal-revenue gaugers, in addition to performing unofficial gauging as above, may furnish additional copies of or extracts from their official reports on Forms 59 or 237 only upon a written request from the person desiring the same. Such applications should state the number of packages to be gauged or reported, and whether an actual gauge is desired, or only an extra copy of the gauger's official report, and all such applications must be filed in the collector's office at the end of each month by the gauger.

The extra copies of reports so furnished must correspond exactly as to serial numbers of packages and stamps, proof, contents., etc., of each package, with the official report of the gauger.

For his services for such unofficial gauging and for extra copies of his official reports the gauger may be allowed to collect from the owner of the spirits a sum not exceeding in any case 8 cents a package for each package of spirits actually gauged or 3 cents for each package embraced in the copy of the report furnished.

At the end of the month the gauger must file with the collector a

report showing the names of the persons from whom such fees were collected, and the exact amount received from each during the month.

In making reports of unofficial gauging, or the extra copies of reports of unofficial gauging herein contemplated, the blank forms furnished by the Department should not be used, and such copies are additional to the one copy of each official report which the gauger is required by regulations to furnish to the person for whom the gauging is done without charge.

REPORTS OF GAUGE AT DISTILLERIES TO BE EXAMINED BY COLLECTORS.

Collectors will cause an examination to be made of the gaugers' returns before transmitting the same to this office, and call the attention of gaugers to such errors as are found therein.

A full and literal compliance with the regulations in this particular, extended to all returns of gauging, including Forms 59, 59½, 59*a*, 122, 176, 205, and 237, will be expected hereafter; and collectors are authorized to adopt any measure calculated to secure accuracy in the gaugers' returns.

Collectors being held responsible for any loss to the revenue arising from any undue allowance in determining the taxable gallons under the provisions of section 17 of the act of May 28, 1880, they are particularly enjoined to critically examine all reports of regauge made on withdrawal of spirits from warehouse, and to compare them with the records and files of their offices, to determine the accuracy of the statements as to the original gauge. They will also view the computations of the gauger to ascertain as to their accuracy, and will note whether the losses are within the limits prescribed by the law, and when found to be excessive, they will determine whether the proper quantity has been added to the proof gallons ascertained by the regauge.

As a means of insuring this accuracy, and of inciting officers to renewed diligence and vigilance, collectors will hereafter keep a record of all errors appearing on the returns of each gauging officer in the district, whether discovered on examination made either before or after transmission to this office.

This record will be made in a tabulated form, so that the standing of each officer may be readily determined, and those officers who thus appear to be most efficient and trustworthy are to be preferred in the matter of assignment to duty.

In addition, collectors are expected to recommend for dismissal any officer whose reports are habitually incorrect.

FORM, SIZE, AND MATERIAL OF PACKAGES FOR DISTILLED SPIRITS.

As the law requires all packages filled by a distiller or rectifier to be gauged, stamped, and branded, and as packages filled by wholesale liquor-dealers are liable to inspection by internal-revenue officers, all such packages must be of such shape and size that they can be correctly gauged by the prescribed rod, and of such material as will admit of the attachment of the stamps and of the placing thereon all the marks and brands in the manner required by law.

Metal, glass, earthenware, and similar substances, not being suitable material for receiving the required marks, brands, and stamps, the use of vessels made of such materials for containing distilled spirits in quantities of 5 wine gallons and above is not permitted, unless such vessels are incased in wood in such manner that the casing can not be removed from the vessel without destroying the utility of both.

When so constructed the whole is regarded as constituting but one vessel, and the marking, branding, and stamping may be done on the outer surface.

No incased vessels are permitted to be used, as above, unless one of the said vessels, or a model thereof, has been presented to the Commissioner of Internal Revenue and received his approval.

(See instructions herein regarding "Wantage in small packages filled at distilleries.")

STAND CASKS.

By the term "stand casks" is implied ornamental, unmarked, and unstamped spirit packages or nonportable casks, not intended for "shipment, sale, or delivery," but designed solely to be set up and filled with distilled spirits on the premises of liquor-dealers, for the purpose of drawing spirits therefrom into other casks, packages, or vessels to be sold.

The use of "stand casks" is forbidden upon the ground that every package filled upon the premises of a wholesale dealer must be marked and stamped in accordance with law when filled and must have all marks, stamps, and brands obliterated when emptied; and it is impracticable to carry out these requirements in the case of the ornamental casks known and used as "stand casks."

The term "cask or package," as used in the law, is understood to mean portable vessels, capable of being gauged with the standard combination gauging rod in the manner directed in the Gaugers' Manual.

A dealer must not draw spirits from any other than a stamped vessel, nor fill any other than a portable one, and all vessels in his possession containing not less than 5 wine gallons of spirits must be properly marked and stamped.

DETENTION OR SEIZURE OF SPIRITS, AND ASSESSMENT OF TAX IN CASE OF DISCREPANCY BETWEEN THE MARKS AND BRANDS ON PACKAGES AND THE ACTUAL TAXABLE CONTENTS.

Whenever an examination of any distiller's original package shows an excess of spirits of 1 proof gallon or upward over and above the quantity which, according to the marks, stamps, and brands on such packages, might be lawfully contained therein, it should be detained for investigation, and a careful gauge made by at least two competent gaugers, where practicable, and if the excess as found by both of them should amount to 1 proof gallon or upward in any package, the taxable excess should be estimated by the collector and reported for assessment against the distiller.

In making such report, the serial numbers of the packages in which the excess is found should be given, and the name of the gauger who originally gauged the spirits should be reported.

If there is no ground for detention other than this excess and the collector is satisfied that the excess occurred without fraudulent intent, he may release the goods, without costs to the Government, upon being notified that such assessment has been paid; or, if the parties in whose possession the spirits were detained desire to pay the assessment for the distillers, in order to obtain earlier possession of the goods, the collector may receive the tax from them and immediately release the goods, without waiting for the assessment to be made; and, in that case, he should report the amount, on Form 51, as a collection for the district in which the tax is payable, and he should promptly notify the collector of that district of such collection, in order that he may not demand payment from the distillers.

If the unlawful excess so found should be so large as to awaken suspicion of fraud, the spirits should be seized and reported to this office for instructions as to proceding for their forfeiture.

In all cases where the regauge is made by two gaugers, as above, both gaugers will unite in signing the report showing the excess.

Where it is impracticable to have the regauge performed by two competent gaugers the proof of the existence of a taxable excess will not be deemed sufficient to warrant action in the direction of collection of the tax on the apparent excess.

In all instances, however, where an excess of 1 proof gallon, and above, is found upon regauge of a distiller's original package the action taken under these instructions will be noted upon the return showing the excess.

No assessment is to be reported unless the excess amounts to 1 full proof gallon. In case the excess amounts to 1½ proof gallons and less than 2½ proof gallons, the taxable excess is to be called 2 gallons, and so on. Where the tax on an excess is received as above, in case of spirits produced in another district the amount thus collected will be transmitted, by certificate of deposit or otherwise, to the collector of the district in which the spirits were produced, and the fact of such remittance will be noted on the report on which the excess appears.

RESTORING TO THEIR ORIGINAL PROOF DISTILLED SPIRITS WHICH HAVE INCREASED IN PROOF WHILE IN WAREHOUSE.

In order to protect from detention or seizure spirits which have increased in proof in consequence of having been stored in a warm and dry warehouse the distiller, or owner thereof, can make a change of package on wholesale liquor dealers' premises, marking and stamping the new packages as provided herein under the head of "Marking and stamping of packages of spirits filled on the premises of wholesale liquor-dealers."

If the owner wishes to remove spirits of this character from one part of a district to another part of the same district, for the purpose of changing the package, he will at once notify the collector of the district of the fact, giving the number of packages, the marks and brands thereon, and the location of the wholesale liquor-dealer's establishment to which such spirits are to be removed, and the collector will detail some United States officer to protect such spirits from seizure during their transit.

In case the removal is made from one collection district to another, the collector of the district from which the spirits are shipped will notify the collector of the district in which the spirits are to be received, giving the number of packages, the marks and brands thereon, the name of the owner, the route over which said spirits are to pass, and to whom consigned. The collector of the district in which such spirits are received will allow them to pass to the establishment of the wholesale liquor-dealer to whom they are consigned.

In case, however, the spirits increased in proof while in distillery warehouse and were regauged upon withdrawal therefrom, the owner, if he prefers, may, in the presence of the United States gauger, reduce such spirits to their original proof by the addition of distilled water. Full instructions as to the quantity of water necessary to reduce spirits of any given strength to proof will be found published in the Gaugers' Manual, Table No. 7.

The owner will not be allowed to fill the packages above the quantity that the "natural outs" would indicate should be contained in each package, nor will he be allowed to mix any other spirits with that in the original package, or to fill one package from another of the same lot.

The dealer, after such reduction, will legibly mark the following upon the stamp head of the casks in letters not less than three-eighths of an inch in length, taking care to properly fill the blank spaces:

REDUCED TO ——— PROOF
By ——— ———,
Wholesale Liquor-Dealer,
No. ——— ——— st., ———,
Before ——— ———, *U. S. Gauger,*
——— *Dist. of* ———,
———, 189—.

In case there should not be room enough on the stamp head to affix the said marks without obscuring the marks and stamps thereon, the same may be applied to the other head.

Upon the completion of the process, the dealer will forward to the collector of the district, to be filed in his office, a notice in the following form:

———, ———, 189—.

To ——— ———, *Collector* ——— *Dist. of* ———.

SIR: Notice is hereby given that the spirits contained in the following-described*——— casks were this day reduced in proof, as indicated, by the simple addition of water, in the presence of ——— ———, U. S. Gauger:

By whom produced.	District where produced.	Serial No. of cask.	Date of original gauge.	Date of regauge.	Proof on original gauge.	Proof on regauge.	Proof to which reduced.
Total.....							

——— ———, *Wholesale Liquor-Dealer.*

*In this space will be entered the number of packages of spirits the contents of which have been reduced in proof.

By the terms "Original gauge" and "Regauge," as employed in the notice, are meant the gauge made on entry of the spirits into distillery warehouse and on withdrawal from the same, respectively.

In case the spirits included in the notice were produced at the same distillery, and were entered into bond and withdrawn therefrom on the same date, and were of the same proof on entry and on withdrawal, only one entry in each column will be required, in which case, where the serial numbers of the casks run consecutively, the lowest and highest numbers may be stated.

Spirits reduced in proof, as above provided, may be placed upon the market in the original packages, bearing the original marks, stamps, and brands, and the additional marks indicated.

The services of the gauger in this connection are simply voluntary, to be performed at such times as will not interfere with the discharge of his regular duties for which he receives fees. If impracticable for a gauger to thus perform the service, a deputy collector may supervise the reduction of the spirits, in which case the required marking and notice will be modified accordingly.

These regulations are not to be construed as authorizing the reduction of spirits to other than the original proof as marked upon the cask at time of entry into distillery warehouse, or at any place except upon the premises of a wholesale liquor-dealer.

BOOK TO BE KEPT BY WHOLESALE LIQUOR-DEALERS AND RECTIFIERS, FORM 52.

Section 3318 of the Revised Statutes provides that—

Every rectifier and wholesale liquor-dealer shall provide a book, to be prepared and kept in such form as may be prescribed by the Commissioner of Internal Revenue, and shall, on the same day on which he receives any foreign or domestic spirits, and before he draws off any part thereof, or adds water or anything thereto, or in any respect alters the same, enter in such book, and in the proper columns respectively prepared for the purpose, the date when, the name of the person or firm from whom, and the place whence the spirits were received, by whom distilled, rectified, or compounded, and when and by whom inspected, and, if in the original package, the serial number of each package, the number of wine gallons and proof gallons, the kind of spirit, and the number and kind of adhesive stamps thereon. And every such rectifier and wholesale dealer shall, at the time of sending out of his stock or possession any spirits, and before the same are removed from his premises, enter in like manner in the said book the day when and the name and place of business of the person or firm to whom such spirits are to be sent, the quantity and kind or quality of such spirits, the number of gallons and fractions of a gallon at proof, and, if in the original packages in which they were received, the name of the distiller and the serial number of the package. Every such book shall be at all

times kept in some public or open place on the premises of such rectifier or wholesale dealer for inspection, and any revenue officer may examine it and take an abstract therefrom; and, when it has been filled up as aforesaid, it shall be preserved by such rectifier or wholesale liquor-dealer for a period of not less than two years; and during such time it shall be produced by him to every revenue officer demanding it. And whenever any rectifier or wholesale liquor-dealer refuses or neglects to provide such book, or to make entries therein as aforesaid, or cancels, alters, obliterates, or destroys any part of such book, or any entry *therein*, or makes any false entry therein, or hinders or obstructs any revenue officer from examining such book, or making any entry therein, or taking any abstract therefrom; or whenever such book is not preserved or is not produced by any rectifier or wholesale liquor-dealer as hereinbefore directed, he shall pay a penalty of one hundred dollars, and shall *on conviction* be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not less than three months nor more than three years.

In accordance with the above provisions, Form 52, revised, has been prescribed for use in making the required entries.

This form of book is required to be kept by every rectifier and wholesale liquor-dealer who receives or sends out either foreign or domestic distilled spirits, and should exhibit all the spirits received or sent out, whether received or sent in pursuance of purchase, sale, or otherwise.

Wholesale liquor-dealers who are not also rectifiers will be permitted to have books made omitting the columns relative to rectification.

Rectifiers must use all the columns. Rectifiers who also carry on the business of wholesale liquor-dealers on the same premises need not, as wholesale liquor-dealers, enter spirits dumped and rectified as disposed of to, and received from, themselves as rectifiers, nor keep two sets of books for this purpose, under section 3318, Revised Statutes.

Every person who rectifies, purifies, or refines distilled spirits or wines is a rectifier, except distillers who purify or refine distilled spirits in their distilleries in the course of original and continuous distillation from mash, wort, or wash, and every person who, by mixing distilled spirits, wines, or other liquors with any material, manufactures any spurious, imitation, or compound liquor for sale is also regarded as a rectifier. Every person who sells or offers for sale distilled spirits, wines, or malt liquors in quantities of not less than 5 gallons at the same time is a wholesale liquor-dealer.

This definition of liquor-dealer is held not to apply to those acting in the capacity of clerks or agents for an authorized liquor-dealer at his place of business, nor to those who merely negotiate sales of spirits, of which they have neither actual nor constructive possession, for owners who make the delivery.

A person negotiating sales and making delivery as agent at a place other than the place of business of the principal thereby becomes a liquor-dealer, whether he acts in the name of his principal or not.

Rectifiers and wholesale liquor-dealers having spirits stored near their place of business and subject to their own control, for the purpose of being disposed of at their place of business, will regard such liquors as constituting part of their stock and enter them accordingly. The business of rectifying, or selling, or offering for sale can not be carried on at such places of storage, but only at the place named in the special tax receipt.

Should a rectifier wish to dump a package from which a portion of the spirits has been sold by him as a wholesale liquor-dealer, he will make application on Form 92 for a stamp to cover the spirits remaining in the package, and attach said stamp as hereinbefore required.

He will then transfer such package to himself as a rectifier, reporting such transfer on his book (Form 52).

If, after a portion of the spirits has been sold from any cask or package, a wholesale dealer (who has paid special tax as a retail liquor-dealer) wishes to retail the balance on the same premises, he must transfer such balance to himself as a retail liquor-dealer and report such transfer on his book (Form 52).

A person is liable to the special tax as wholesale liquor-dealer for each and every place where he sells or offers for sale foreign or domestic distilled spirits or wines in quantities of not less than 5 wine gallons at the same time, and must keep a book at each place where spirits are sold or offered for sale.

In entering "Spirits received," the following instructions must be observed:

Under "Date when received," give the year, month, and day on which the spirits are received.

Under "From whom received," enter name of the distiller, dealer, rectifier, or other person from whom the spirits are received. In no case will the name of an intermediate party, such as a common carrier or an agent who simply negotiates sales, be given in this column. Dealers and rectifiers can not purchase or receive distilled spirits in greater quantity than 20 gallons from any person other than an authorized rectifier, distiller, or wholesale liquor-dealer; but it is provided that this provision shall not be held to apply to judicial sales, or to sales at public auction made by an auctioneer, and certain other sales are also excepted by paragraph 5, section 3244, as amended by section 4, act March 1, 1879. (See section 3319, Revised Statutes.)

Under "Whence received," write the name of the city or town and State, and, if a city, the street and number of the place of business of the person from whom received.

Under the head of "Number of packages," enter, in figures, the number of packages of each kind of spirits, as known to the trade, that have been received from one person or firm at one time.

Under the head of "Kind of spirits," enter the names as known to the trade. such as "high wines," "Bourbon," "rye whisky," etc.

Under the head "By whom distilled or rectified," write the name of the distiller, or, if the spirits have been rectified, the name of the rectifier, with the district and State where distilled or rectified.

This information will appear in the stamps and marks on the barrels, whether change of package by a wholesale dealer has occurred or not.

Under "By whom and when inspected," give the name of the United States gauger who gauged the package and affixed the stamp, and the date of such gauge. The name will be found on the stamp and in the marks.

Where impracticable to determine the name of the gauger, as in the case of imported spirits, the word "unknown" may be entered in the space where the name of the gauger would otherwise appear.

In making entry of a distiller's original package which was regauged on withdrawal from distillery warehouse, the name of the gauger who made such regauge will be given.

Under "Number of gallons," enter the number of wine gallons and proof gallons in each package, as shown by the marks of the United States gauger. The quantity in each package must be stated separately.

Where entry is made of spirits marked as having an apparent proof only, the apparent proof gallons will be entered in the column "Proof," under the head of "Number of gallons," or "No. of gallons," as the case may be, and the letters "A. P." will precede such entry.

In making entry of "No proof" spirits, the number of wine gallons will be entered in the proof-gallon column.

In entering casks of spirits which were regauged on withdrawal from distillery warehouse, the number of wine and proof gallons marked thereon at time of such regauge will be entered.

Under head of "Number of proof gallons out" may be entered the number of gallons out if a regauge is made at the time of receiving the spirits.

Under head of "Serial number of packages," enter the serial number of each package other than rectified spirits, which will be found on the head of the barrel under the bung stave, on a line with the number of gallons; also, in the warehouse and tax-paid stamps. No serial numbers of package are required on casks of rectified spirits.

Under the head of "Serial number and kind of stamp," enter the series and serial number of each stamp, which will be found in red figures on the stamp on a line with the serial number of each package.

The series of stamps are shown in the letter preceding the serial number, as A, B, C, etc.

Under the head "Spirits emptied for rectification from stock received," on the left-hand page, every rectifier will enter in the appropriate columns, on the day of dumping, all spirits emptied for rectification, giving, in addition to the date, the number of wine and proof gallons, the serial number of the packages, the serial number and kind of stamps, by whom distilled or rectified, with district and State where distilled or rectified, and the date of original inspection.

When spirits of "Apparent proof" or of "No proof" are emptied for rectification, the rule given above for entry of the number of gallons will be observed.

In entering "Spirits disposed of," under head of "Date when sent," give the year, month, and day on which the spirits are to be sent out or otherwise disposed of.

Under head of "To whom sent," give the name of the person to whose control the spirits are sent, whether in pursuance of sale or otherwise; but the names of intermediate parties, such as common carriers or agents, who will not receive actual or constructive possession thereof, should not be given.

Under "Place of business," give the town or city and State of the person to whom sent, and if a city, the street and number of his place of business.

Under "Number of packages," enter separately, in figures, the number of packages of each kind of spirits, as known to the trade, sent to the same person or firm at the same time.

Under head of "Kind of spirits," give the name of the spirits as known to the trade.

In column "By whom distilled or rectified," write the name of the distiller, or, if the spirits have been rectified, the name of the rectifier, with the district and State where distilled or rectified. If by the party himself, he will enter his own name.

Under head "By whom inspected," give the name of the United States gauger making the gauge, and the date of such gauge.

In column "Number of gallons," give the wine and proof gallons, as shown in the gauge marks of the United States gauger making the last gauge.

In column "Number of proof gallons out" may be stated the proof gallons out if a regauge is made.

Under head "Serial number of package," enter the serial number of each package other than rectified spirits.

Under head of "Serial number and kind of stamps," enter the serial number of each stamp in the proper column.

Under head "Spirits received from rectification," enter the date when received; "Number of packages," the number of wine and proof gallons (observing the rule given above in case of "no proof" spirits or "apparent proof" spirits), the kind of spirits, the serial number of rectifier's stamps placed thereon, the date of inspection, and the name of the gauger, each item to be in the appropriate column.

All spirits entered on the "Received" side of the book must have their disposition shown on the "Disposed of" side of the same.

The purchase of spirits solely for exportation and sale abroad does not constitute the purchaser a wholesale liquor-dealer, and such transaction is not required to be entered on the book.

Persons who simply store spirits for the owners, and neither deal in spirits nor own the same, are not required to keep the book.

When a party carries on the business of wholesale and retail liquor-dealer on the same premises, he may take credit on this account for spirits disposed of at retail, which he has entered as received, by setting aside packages from which to draw for retail only, and entering them as disposed of to himself as retail dealer.

Each package is required to be entered separately, except that, when a number of packages are received on the same day, from the same source, in the same way, distilled or rectified by the same person, inspected by the same gauger, and of the same kind, and where the serial numbers of the packages and of the stamps are continuous, such spirits may be entered in the aggregate. The same rule applies to the entry of spirits disposed of.

The wholesale dealer or rectifier must make the entries of spirits received in his Form 52 on the same day on which he received them, and before he draws off any part thereof, or in any respect alters the condition of the same.

He must also at the time of sending out of his stock or possession any spirits, and before the same are removed from his premises, make entry of the disposition of the same in said book.

FORM 52 C.—BOOK TO BE KEPT BY DISTILLERS.

A form of book (Form 52 C) has been prescribed to be kept by distillers in their capacity as wholesale liquor-dealers, at their distilleries, as a record of the spirits received and disposed of by them.

The purpose of this form is to save the labor of a duplicate description of the packages and their contents.

No distilled spirits on which the tax has been paid are allowed by law to be stored or to remain on any distillery premises under penalty of forfeiture of all spirits so found.

All spirits, therefore, withdrawn from distillery warehouse and entered by the distiller as "Received" upon his Form 52 should, on the same day, be removed from the distillery premises and be entered upon the Form 52 as disposed of.

All the columns retained will be filled in accordance with foregoing regulations concerning Form 52.

This form (52 C) is devised for the convenience of distillers, and it will not supersede Form 52, which any distiller may continue to use if he chooses so to do.

Distillers who have given the required bond as such, and who sell only distilled spirits of their own production at the place of manufacture in the original cask or package to which the tax stamp is affixed, are exempt from paying special tax as wholesale liquor-dealers, but are nevertheless required to keep the book, and to enter therein all spirits as received when the tax is paid thereon, and, when sent out, to whom sent, etc.

A distiller delivering spirits elsewhere than at the place of manufacture becomes liable as a dealer at such place of delivery, and must keep the book thereat. Hence a distiller can only make sale of his spirits away from the place of manufacture by paying tax as a liquor-dealer, or through an authorized liquor-dealer.

No entry is required to be made on Form 52 C by distillers, or on Form 52 by other dealers, when spirits are sold in bond on warehouse receipts.

The first entry in such cases will be made by the distiller, and by the person purchasing the spirits, when the same are withdrawn from the distillery warehouse.

Whenever the contents of two or more casks of spirits are united in distillery warehouse for exportation, under the provisions of section 1, act of June 9, 1874, as amended by section 10, act of March 1, 1879 (section 3330 *a*, compilation of 1889), the said casks will be fully de

scribed in the distiller's book (Form 52 C) as usual, and under the head of "To whom sent" and "Place of business" will be written the words "Contents transferred to cask bearing export stamp No. —," entering in the blank space the number of the export stamp affixed to the cask to which the spirits were transferred.

In the event that the contents of a cask are transferred to two or more casks, the entry will be modified accordingly, and the export stamp on the cask receiving the greatest bulk of the spirits will be given first, and so on.

TRANSCRIPTS OF ENTRIES IN BOOK, FORM 52.

By section 5 of the act entitled "An act to amend the laws relating to internal revenue," approved March 1, 1879, section 3318, Revised Statutes, is amended as follows:

That every person required to keep the books prescribed by this section shall, on or before the tenth day of each month, make a full and complete transcript of all entries made in such book during the month preceding, and, after verifying the same by oath, shall forward the same to the collector of the district in which he resides. Any failure by reason of refusal or neglect to make such transcripts shall subject the person so offending to a fine of one hundred dollars for each neglect or refusal.

In accordance therewith, every person whose duty it is to keep the wholesale liquor-dealers' and rectifiers' book, Form 52, will, on or before the 10th day of each month, make, verify, and forward the transcripts, as above provided, for the preceding month.

Upon receipt of the transcripts collectors will examine the same, and carefully file and preserve them for future use.

Blanks for these transcripts, Forms 52 *a* and *b*, "Spirits received and disposed of," are furnished by this office. Distillers being required to keep the wholesale liquor-dealers' book (Form 52 C) will also be required to make these transcripts.

If any dealer or rectifier prefers to make the transcripts on manifold or other paper, furnished at his own expense, he may be permitted to do so, but they must correspond to the form prescribed, and must be verified by oath.

DISTILLATION OF BRANDY FROM APPLES, PEACHES, OR GRAPES EXCLUSIVELY.

The fruit distilleries require a large share of the attention of internal-revenue officers. They are many in number, and often located in remote portions of the district; but the law requires that they shall be registered and surveyed in the same manner as other distilleries, and that the distiller shall make a monthly return. As the assessments against this class of distillers depend almost wholly on the return made of time operated, officers will observe that it is of the utmost importance that these distilleries be closely watched. It often happens that where a fruit-distiller has two stills in his distillery he only uses one of such stills. In such cases the distiller should register one of his stills as not for use, and make application on Form 143 for reduction of capacity, as otherwise the assessment would be made on the entire capacity of the distillery, which, in the case of a fruit distillery, is computed on the capacity of the stills, without reference to the fermenting capacity.

EXEMPTIONS.

Under the provisions of section 3255, Revised Statutes, the Commissioner of Internal Revenue is authorized, with the approval of the Secretary of the Treasury, to exempt distillers of brandy made exclusively from apples, peaches, or grapes from certain requirements of law relating to the manufacture of spirits; and, therefore, by virtue of said authority and with the approval of the Secretary of the Treasury, the Commissioner has exempted all distillers of brandy from apples, peaches, or grapes, exclusively, from the following provisions of said law, to wit:

From all the provisions of sections 3262, 3263, 3267, 3269, 3271, 3273, 3275, 3279, 3284, 3285, 3294, 3302, 3310, 3318, Revised Statutes, and from portions of the following-named sections, to wit:

So much of section 3259, Revised Statutes, as requires the distiller to state in his notice the number of mash tubs and fermenting tubs and the cubic contents of each tub, the number of receiving cisterns and the cubic contents of each cistern, and the number of hours in which the distiller will ferment each tub of mash or beer. So much of section 3266, Revised Statutes, as provides that no person shall use any still, boiler, or other vessel for the purpose of distilling, in any shed, yard, or inclosure connected with any dwelling house. From all of sections 3303, 3305, and 3307, Revised Statutes, except so much thereof as provides for the keeping of a book or books in the manner to be prescribed by the Commissioner of Internal Revenue,

the preservation of such book or books for the inspection of revenue officers, and the penalties pertaining thereto, and the making of returns: *Provided, however*, That the manner of making such returns shall be as prescribed in these regulations. So much of section 3264, Revised Statutes, as provides that 45 or 60 gallons of mash or beer brewed or fermented from grain shall represent not less than 1 bushel of grain, and 7 gallons of mash or beer, brewed or fermented from molasses, shall represent not less than 1 gallon of molasses.

From all of the provisions of sections 3287 and 3293, Revised Statutes, except so much thereof as requires that all distilled spirits shall be drawn into casks and shall be gauged, proved, and marked by a United States gauger, by cutting on the cask containing such spirits, in a manner to be prescribed by the Commissioner of Internal Revenue, the quantity in wine gallons and in proof gallons of the contents of such cask, and the serial number of the package, in progressive order.

From so much of section 3295, Revised Statutes, as provides for the receiving of an order from the collector for the removal of spirits from distillery warehouse; and from so much thereof as requires that the affixing of the tax-paid stamp and the cutting or burning of the serial number of the stamp shall be done by the gauger.

From so much of section 3244, Revised Statutes, as requires that spirits purified or refined in the original course of manufacture must be by continuous distillation through continuous closed vessels and pipes until the manufacture thereof is complete; and further from so much of the provisions of said section as would render such distillers liable as rectifiers in consequence of the addition of burnt sugar to their product while on the distillery premises and in the original packages. But the burnt sugar must be added to the brandy in the presence of the United States gauger after the brandy has been gauged and before the tax-paid stamp is affixed.

From so much of section 3309, Revised Statutes, as amended, as requires that a less number of hours than twenty-four shall be reckoned as a full day in estimating the spirit-producing capacity of a distillery when the number of hours operated during the month is less than twenty-four or exceeds a full day or days by a less number than twenty-four.

From so much of section 3311, Revised Statutes, as requires the collector, upon receipt of notice from the distiller, to place upon fermenting tubs close-fitting covers for the purpose of reducing the producing capacity of the distillery.

Distillation from the aforesaid fruits, or from the undistilled products of either or all of these fruits, exclusively, is regarded as a distillation from the fruit.

REGULATIONS AS TO FRUIT-DISTILLERS.

REGISTRY OF STILLS.

1. (Section 3258, Revised Statutes.) Every still, set up, in the possession of any person must be registered on Form 26, either as being for use or not for use; and all stills that have not been so registered must be forthwith registered by the person in possession thereof with the collector of the district. An omission to so register incurs a penalty of $500.

FRUIT STILLS TO BE STAMPED WITH A NUMBER.

It is prescribed that all stills set up and commonly used for the distillation of brandy from apples, peaches, or grapes, whether registered as for use or not for use, shall be numbered in each collection district in progressive order; and each still shall have its serial number, together with the number of the district and the name of the State, abbreviated, stamped upon the upper part of the body of the still, in plain and legible figures and letters of not less than three-eighths of an inch in length, and in the following manner, for example.

2. Ga. 456.

These numbers will not supersede the registered distillery numbers, but distillers of brandy will be required to use them on Form 26 under the heading "Number of each still," and they will be entered accordingly in the Register of Fruit Distilleries, No. 46.

A suitable supply of dies for stamping these stills will be furnished to collectors upon requisition therefor.

NOTICE BY DISTILLER.

2. (Section 3259, Revised Statutes.) Each person having a still so registered, and intending to use the same for the distillation of brandy from apples, peaches, or grapes, must, before commencing distillation, give notice on Form 27½ to the collector of his district direct, or through the deputy collector of his division, of his intention to distill, stating in such notice his name and place of residence, and, if a company, firm, or corporation, the name and place of residence of each member thereof or stockholder therein; the place where said business is to be carried on; the number and kind of stills; the total capacity of each in gallons; the manner in which the same is to be boiled, whether by steam or furnace heat; the kind of fruit proposed to be used; the building or place on

the premises where the distillery is situated in which he will deposit and keep the brandy to be distilled by him until the tax is paid thereon and the tax-paid stamps attached thereto; and that such still or stills are not within 600 feet in a direct line from any premises authorized to be used for rectifying or refining distilled spirits by any process.

A copy of the notice will be forwarded to the Commissioner of Internal Revenue.

SURVEY.

3. (Section 3264, Revised Statutes, as amended by the act of March 1, 1879.) On the receipt of notice, Form 27½, the collector, or a deputy collector designated by him, with the aid of a designated assistant, will proceed to make a careful survey of such still or stills, in accordance with the provisions of section 3264, Revised Statutes, unless there be on file in his office a correct survey thereof theretofore made, and it appears to his satisfaction that no change has taken place in the capacity of such still or stills since the making of such survey.

The survey of any distillery, the capacity of which, as stated by the distiller on Form 27½, does not exceed 150 proof gallons of spirits every twenty-four hours, may be made by the collector, or a deputy designated by him, without the aid of an assistant.

The persons designated by the Commissioner of Internal Revenue to assist in making surveys are ordinarily appointed on the recommendation of the collector. Collectors should see that a sufficient number of deputy collectors are recommended for appointment as designated assistants to meet all the requirements of the service.

The reports of surveys are to be made out in triplicate on Form 99, signed by the collector or deputy collector, as the case may be, and his assistant; or, if made without the aid of an assistant, by the collector or deputy collector alone, and one copy thereof delivered to the distiller, one retained by the collector, and one transmitted to the Commissioner of Internal Revenue, with the certificate of the collector thereon showing the date on which the copy was delivered to the distiller.

The capacity of fruit distilleries is determined solely on the capacity for distillation, which is ordinarily arrived at by determining, first, the capacity in gallons of each still, making proper deductions for boiling space; second, the number of boilings of each still that can be effected in twenty-four hours of each condition of materials to be used, making proper allowance for doubling; and, third, the spirit-producing capacity of such material. The capacity in gallons of each still may be ascer-

tained either by an arithmetical calculation or by filling the same and measuring the contents. The latter mode is preferable with small stills of, say, 100 gallons or less capacity, and with stills difficult of measurement. When done by filling, and measuring the contents, the column in Form 99 for diameters may be left blank, and a note entered on the face of the report showing that the capacity was ascertained by filling and measuring the contents. Having found the cubic capacity of the still, the next step is to determine what space is required for the rising or ebullition of the material to be used while boiling. This will depend somewhat on the shape of the still and cap and the extent of the heating surface. Observation has shown that ordinarily not more than 10 per cent of the cubic capacity is needed or used for such ebullition, and frequently a much less per cent is sufficient. Deducting the per cent (stated in gallons) required for boiling space from the cubic capacity, the working capacity of each still is arrived at.

As the materials used are not ordinarily reduced to complete distillation by the first boiling, it becomes necessary to make a proper allowance for doubling the singlings or low wines. About three-tenths of the working capacity of the distillery is usually necessary for that purpose. Having determined the per cent of working capacity necessary for doubling, deduct it from the working capacity, and you have the actual working capacity of the distillery.

The next step is to determine the number of boilings that can be effected of each material in each still in twenty-four hours. This is to be determined in view of the appliances in use for that purpose. Where steam is used a greater number of boilings can ordinarily be effected than where furnace heat is used, and the number of boilings that can be effected with furnace heat depends upon the shape of the still, the extent of the heating surface, and the manner in which the still is set. Returns to this office show that, ordinarily, seven boilings of fruit in any of the conditions in which it is used may be had in twenty-four hours, and in many instances a greater number. The whole number of boilings that it is found can be made must be stated, as the allowance for doubling is made elsewhere.

As some of the materials used in this kind of distillation require an addition of water thereto to prevent burning in boiling, it becomes necessary to determine which of the materials to be used requires an addition of water, and the quantity of water necessary to be added, as the quantity of materials that can be distilled will be reduced in exact ratio with the quantity of water added. Pomace and cheese are the only materials to which an addition of water is known to be absolutely re-

quired, and it is believed that not more than one-third proportion of water is necessary; that is, one-half as much water as material. The quantity of water necessary to be added to each material must be stated under the proper head.

From these findings the quantity of each material that can be distilled into brandy in each twenty-four hours is readily ascertained, and it only remains to determine the quantity of each of the materials necessary to produce a gallon of proof brandy to arrive at the brandy-producing capacity of the distillery.

Apples, peaches, and grapes, from which brandy is distilled, are used in such a variety of conditions in different sections of the country that it is difficult to give a classification of these materials which will embrace every condition in which they may be used. The following classification will, however, be found sufficiently comprehensive to embrace any of the ordinary conditions in which the fruit is distilled, viz, pomace, cider, wine, sour wine, wash, cheese, and lees. The blanks will be found to contain a column for "other material," in which to embrace other conditions of these fruits not clearly coming under either of the above classifications.

By pomace is meant the crushed fruit without the juice expressed therefrom; cider, the expressed juice of the apple; wine, the fermented juice of the grape; sour wine, the fermented juice of the grape partly acetified; cheese, the residue of the fruit after the juice has been expressed therefrom; wash is the liquid expressed from the cheese of apples or grapes after adding water thereto; lees, or "piquette," the dregs or settlings of wine.

By averaging the returns of fruit-distilleries from different States made to this office during one fiscal year it was found that a gallon of proof brandy was produced from the following quantity of each material, to wit: 15 gallons of cheese, 7 gallons of lees, 5 gallons of wine, 7 gallons of sour wine, 10 to 12½ gallons wash, 10 to 12 gallons grape pomace, 14 gallons of apple and peach pomace, 11 gallons cider. While these are the averaged results, as shown in the returns, it will be remembered that at some distilleries a less and at others a greater quantity of these materials is required to produce a proof gallon of brandy.

The spirit-yielding capacity of these several conditions of the fruits is known to be so variable that it is difficult for this office to lay down any fixed rules on the subject, but it must necessarily leave the determination of the amount of spirits to be produced from a given quantity of each of these materials to the judgment of the officers making the surveys, they acting upon the foregoing information as well as upon

the most reliable information that can be obtained from past experience in the particular locality in which the distilleries are situated.

The foregoing instructions are applicable to the kind of distilleries generally in use for distilling brandy from the fruits mentioned. Instances will be found, however, where the material is introduced into the still by means of a charger, in which it is heated to a certain degree, thereby facilitating the boiling off. This is more frequently the case where the distillation is by steam. In steam distilleries the stills are sometimes constructed with two or more chambers, in some instances all the chambers being used for distillation, in others only the lower chambers, the upper being used as a charger. Where the worm is so attached as to receive the vapor from all the chambers, they all constitute a part of the still, and the capacity should be estimated on all the chambers, unless a separate charger is used; and where the worm is so attached as to only receive the vapor from the lower chamber, then the upper chamber is to be treated as a charger. For instance, a three-chambered still, with a worm attached to the lower chamber only, is to be estimated by the capacity of the upper chamber, that being the charger to such a still.

Where chargers are used, the capacity will be more readily and accurately arrived at by taking the capacity of the charger instead of the still. In such case the entire capacity of the charger will be given as the working capacity, without making any deduction for boiling space. The number of chargers that can be distilled in twenty-four hours will be given as the number of boilings. The other estimates determining the capacity are to be made the same as in other fruit distilleries. Where the estimated capacity is based upon the capacity of the charger the fact will be so stated on Form 99.

When, however, more material can be distilled in the still at one boiling than can be contained in the charger at one filling the capacity of the still will be taken instead of the charger. The variety of stills in use for distillation of apples, peaches, or grapes and the variable quality and conditions of such fruits used in different parts of the country render it impracticable to lay down any fixed rules by which the surveyors are to be governed. What is herein stated as to the number of boilings and the spirit strength of material is intended as matter of information rather than as rules to be arbitrarily followed. Much of the information upon which the estimate of capacity is based is only ascertainable on view of the distilling apparatus, and the surveyors are therefore necessarily left to the exercise of their judgment in the light of the information herein given and of the past experience in their districts, especially as shown by the returns of prior years.

Each distillery should be correctly surveyed before commencing, so that the distiller may be assured of the capacity to which he will be held for the season, and the Government saved the expense of resurveys.

BOND.

4. (Section 3260, Revised Statutes.) After the completion of such survey and before the commencement of distillation, each distiller shall make and execute a bond on Form 30½, with at least two sureties, to be approved by the collector of the district. The penal sum of said bond shall not be less than the amount of the tax on the spirits that can be distilled in his distillery during a period of fifteen days, as ascertained by the survey, but in no case shall the penal sum exceed $100,000. Bonds so given expire on the last day of April of each year, and parties must renew their bonds before continuing or again engaging in distillation after that date. A new bond shall be required in case of the death, insolvency, or removal of either of the sureties, and may be required in any other contingency, at the discretion of the collector or Commissioner of Internal Revenue. On the presentation of such bonds to the collector he shall examine the same and satisfy himself that they are correct in form and duly executed according to law; that the sureties thereon are residents of the district, or of some county adjoining the district within the same State; and that such sureties are ample security for the amount of such bond, and for that purpose will require from such sureties affidavits on Form 33, and may require an abstract of title or other evidences as to their solvency. The collector will indorse his approval on each bond, certifying that the bond was properly filled up and executed, and that the sureties thereon are in his belief sufficient. When approved, a copy of the bond, together with copies of Form 33, will be forwarded to the Commissioner of Internal Revenue.

BOOK.

5. (Sections 3303, 3304, 3305, and 3307, Revised Statutes.) Every distiller from apples, peaches, or grapes exclusively must provide himself with a book in accordance with Form No. 25½, revised and prescribed by the Commissioner of Internal Revenue, in which he shall, from day to day, make or cause to be made true and exact entry of the kind and quantity of material purchased or received, and the name and residence of the person from whom purchased or received, and shall also make or cause to be made a true and exact entry of the hours between which

the still is operated each day; the kind, quantity, and condition of the fruits used; the number of times each still has been boiled off during each day, and the quantity of singlings and of brandy produced thereby; which book must be always kept open to the inspection of any revenue officer, and when filled up shall be preserved by the distiller for the period of not less than two years thereafter, and whenever required shall be produced for the inspection of any revenue officer. Severe penalties are provided in the law for making false entry in such book, or for omitting to make the entries required, with intent to defraud or conceal, etc.

Distillers are at liberty to procure the book in any way they see fit. All the foregoing requirements must be complied with by the distiller before the collector can approve his bond, and the distiller must not commence work at his distillery before the bond is approved.

SPIRITS NOT TO BE REMOVED UNTIL TAX STAMPS AFFIXED.

On completing the process of distillation, the distiller must draw the brandy distilled by him into casks, each of not less contents than 10 gallons, wine measure, and must retain the same at the designated place of deposit at the distillery until the tax is paid thereon, and the tax stamps affixed thereto, as hereinafter directed.

Severe penalties are provided in the law for altering, changing, consuming, or removing the spirits before the tax is paid thereon, and the tax stamps attached thereto.

GAUGING.

6. (Sections 3295 and 3322, Revised Statutes.) All singlings must, whenever practicable, be doubled and ready for gauging by or before the end of the month; otherwise singlings will be liable to be taxed as brandy. If, for any reason, all the brandy produced during the month has not been gauged, the distiller will, on or before the last day of the month, notify the collector of his district, stating the number of packages of brandy that have been distilled by him within the month, and number of wine gallons, with his request to have the same gauged and marked; and on the receipt of such notice, the collector of the district shall cause the brandy produced during the month to be gauged, proved, and marked, as hereinafter directed, by a United States gauger, who, upon order of the collector, shall proceed at once to gauge, prove, and mark each cask of such spirits as he may find at the distillery or designated place of deposit; and shall cut upon the bung stave of each cask the wine gallons, the proof, and the proof gallons; and shall cut or burn on the head of each cask the name of such distiller, the district,

the serial number of the cask, and kind of spirits, and shall mark thereon the date of such gauge and the name of the gauger by whom made, placing such date and name on the head of the cask in such way as to admit of the attaching of the tax-paid stamp between the same. The gauger, on completing each inspection, shall immediately make report thereof, in triplicate, daily, on Form 59½, showing for whom gauged and where, the number of casks, the serial number of each, the proof, the wine gallons and proof gallons of each, the kind of spirits and the amount of tax thereon, and sign and transmit the same to the collector, who, after examination, will forward one copy to the Commissioner of Internal Revenue indorsed "To the Commissioner for review," and also one copy attached to Form 15 for the month, and will retain one copy.

RETURNS ON FORM 15.

On or before the 10th day of each month, from the time the distiller's bond is approved until the distillery is closed for the season and the still or stills are registered as not for use on Form 26, the distiller shall make a return, in duplicate, on Form 15, showing the quantity and kind of material purchased or received each day of the preceding month; the name and residence of the person from whom purchased or received; the days upon which his distillery was operated; the hour of commencing, the hour of closing, the number of hours between such time of commencing and closing, the total number of hours worked during the month; the kind, quantity (in gallons), and condition of fruit used; the number of times each still was boiled off each day; the quantity of singlings (in wine gallons) on hand on the 1st of the month, the quantity of singlings produced, the quantity remaining on hand at the close of the month, and the number of gallons of singlings converted into brandy during the month.

In case the brandy has been gauged, the distller will report, in a single item, against the last day of the month, the total number of wine and proof gallons of brandy produced, and the amount of tax thereon. This report of brandy produced must, in all cases, be taken from the gauger's report on Form 59½; and if for any reason a gauger has failed to visit the distillery and gauge the brandy produced, the distiller will report the quantity of singlings on hand on the 1st day of the month for which the report was made, together with the quantity of singlings produced during the month, as on hand at the close of the month, whether converted into brandy or not; and under the head of "Brandy distilled" he will enter "Brandy not gauged."

This return shall be signed by the distiller and sworn to by him before the collector, deputy collector, or some other officer having general power to administer oaths, and shall be transmitted to the collector, who, on receipt thereof, shall transmit a copy to the Commissioner of Internal Revenue.

PAYMENT OF TAX.

On or before the 10th day of each month, and at the time of making the return for the preceding month, the tax must be paid upon all spirits gauged during the period for which such return is or should have been made, unless then entered under act of March 3, 1877, as extended by act of October 18, 1888, for removal and deposit in a special bonded warehouse, as provided in Regulations, Series 7, No. 5, revised, and Supplement No. 1 thereto. In default of payment of the tax within four months from such 10th day of the month the collector shall report the amount of such tax, on Form 23, to the Commissioner of Internal Revenue, who will enter the same upon an assessment list and transmit it to the collector for collection.

On payment of the tax upon the brandy, as shown in the gauger's report, the collector shall prepare tax-paid stamps of the proper denomination, with all the blanks filled up according to the facts as appearing upon such gauger's return, including the serial number of the cask to which each stamp is to be attached, which stamps shall be signed by the collector, as well as by the gauger making the return, and delivered to the distiller.

Upon the receipt from the collector of the tax-paid stamps, the distiller shall affix the same to the casks in a secure and permanent manner, by pasting the same upon the head of the casks at the place previously designated by the gauger, and by driving tacks, one in each corner and one in the middle of each of the four sides of the stamp, making not less than eight in number, and shall cancel the same by writing across the face of the stamp his name and the date upon which the stamp is affixed, and varnish the stamp with a transparent varnish, so as to protect it from removal or damage by exposure, and shall cut or burn, in legible figures upon the head of the cask, the serial number of the stamp attached thereto, and the date of the payment of the tax. In attaching the stamps the distiller must be careful to attach each stamp to the cask the serial number of which is given in the stamp; and on having so attached the stamp, he shall make entry of the serial number of each cask and of the stamp attached thereto in the proper column in his book, Form 25½, together with the aggregate

amount of tax paid; and on selling or disposing of the packages so stamped, shall enter on his book to whom sold or delivered.

The brandy, when put up, marked, and stamped, as hereinbefore required, may be disposed of by the distiller under the authority of the fourth paragraph of section 3244, Revised Statutes, as amended, by sale or otherwise, at the place of manufacture, in the original casks or packages to which the tax stamps are affixed. Distillers desiring to retain the brandy for their own consumption must put it up, mark it, and stamp it, the same as if intended for sale.

Under these regulations it is permissible that a distiller legally authorized may receive either of the fruits named or the undistilled products thereof from another person for the purpose of distillation, returning to that other person all or a part of the brandy produced therefrom; but in such case the Government recognizes no person in the transaction but the distiller, and the brandy, when distilled, must be put up, marked, and stamped, the same as if distilled by the distiller from his own fruits, and for his own consumption or sale. Distillers can not dispose of the brandy distilled by them in any other than the tax-stamped packages, nor at any other place than the place of manufacture. Every distiller is required from the date of the approval of his bond until he permanently discontinues business at his distillery, to render all the monthly notices and returns required, whether any distillation has been had at his distillery within the month or not; and where no distillation has been had, the returns shall show that fact. Distillers desiring to permanently discontinue business must do so by registering their stills as not for use, on Form 26, which form shall be executed in duplicate, and delivered to the deputy collector of the division, who, on receipt thereof, will see that the still (or stills) is so dismantled as to prevent further distillation, and, when so dismantled, shall transmit said Form 26 to the collector of the district, who, on receipt thereof, will transmit one copy of said Form 26 to the Commissioner of Internal Revenue.

ASSESSMENTS FOR DEFICIENCIES.

Under the provisions of sections 3182 and 3309, Revised Statutes, it becomes the duty of the Commissioner of Internal Revenue to make the inquiries, determinations, and assessments against distillers imposed by section 3309, Revised Statutes; and, in order that there may be no unnecessary delay in making such assessments, collectors are hereby instructed to take such steps as will secure the forwarding of the distiller's returns on Form 15, and the gauger's report on Form 59½, within the

time prescribed by law, which reports should be carefully examined by the collector in order to satisfy himself that they are correct.

(Section 3309, Revised Statutes, as amended.) On the receipt of the distiller's return, Form 15, in each month, the Commissioner will inquire and determine whether said distiller has accounted in his return for the preceding month for all the brandy produced by him. If the quantity so reported by the distiller is less than 80 per cent of the surveyed capacity of the distillery for the time run and material used, the Commissioner will assess the distiller 90 cents per proof gallon for every gallon of such deficiency. If the Commissioner finds upon an examination that the distiller has not reported all spirits actually produced by him during the month, he will ascertain the quantity actually produced and make assessment therefor; provided that the actual product shall be assumed to be in no case less than 80 per cent of the producing capacity of the distillery as estimated under the provisions of law.

In determining the quantity actually produced, the Commissioner will ascertain the kind and quantity of materials used, and the time operated, and determine such quantity therefrom on the basis of the spirit-producing capacity of the materials used as fixed in the survey.

The time will be arrived at by aggregating the hours run each month and dividing by 24, and in case of a fraction, such fraction shall be reckoned at its proportionate part of the surveyed daily capacity. In the absence of a satisfactory return of the material used and time operated, he will base his estimate of actual production upon the surveyed capacity of the distillery for the period which it is ascertained it was operated, fixing the production at the full capacity thereof.

When two or more kinds of materials are used on the same calendar day, the computation as to capacity for the number of hours operated during that day will be on the basis of the capacity fixed for the most productive material.

Whenever the gauger's report shall show the wine gallons of brandy produced to be in excess of the proof gallons, the Commissioner will treat the wine gallons as the quantity produced.

In case no brandy has been gauged, the Commissioner will consider the quantity of singlings on hand the 1st of the month for which the assessment is made, together with the quantity of singlings produced during the month, as still on hand, whether converted into brandy or not, and the number of days for which the 80 per cent should be computed will be carried forward to the next month. It often happens that where a fruit-distiller has two stills in his distillery he only uses one of such stills. In such cases the distiller should register one of his

stills as not for use, and make application, on Form 143, of reduction of capacity, as otherwise the assessment would be made on the entire capacity of the distillery, which, in the case of a fruit distillery, is computed on the capacity of the stills.

Hereafter collectors, in forwarding to the Commissioner a copy of the Form 15, on which the assessment is based, will securely attach thereto a copy of the gauger's report on Form 59½.

In no case should these reports be sent saparately, except when no work is done in a distillery during the month, in which case Form 15 may be forwarded alone.

When no brandy has been gauged, that fact should be noted on Form 15 by the distiller.

It is expected that returns on Form 15 and on Form 59½ will be forwarded early in each month, without waiting, as has been the custom of some officers, until the season is over and the distillery is registered as not for use.

STATUTORY RELIEF AS TO FRUIT-BRANDY DEFICIENCIES CAUSED BY ACCIDENT OR MISUNDERSTANDING.

Distillers of brandy from apples, peaches, or grapes will be notified by the Commissioner, on Office Form 245, when deficient in the production of brandy. This notice will state the number of gallons and the amount of tax due thereon, and that such tax will be assessed unless the distiller shows by satisfactory evidence that he is entitled to relief on the ground of unavoidable accident or a misunderstanding of the law or regulations (under the provisions of section 6, act of March 1, 1879, as amended by section 8, act of May 28, 1880, p. 130, compilation of 1889), or, on the ground of an error in the computation.

Distillers should at once reply to such notices on Office Form 245, giving their reasons, if any, why such proposed assessments should not be made, and stating when they propose to submit evidence, Thirty days are allowed distillers to furnish such evidence prior to assessment, the time being reckoned from the date of receipt of the notice by them. If in any case the evidence is not received prior to assessment, the evidence may be considered in connection with a claim for abatement, on Form 47, or for refunding, on Form 46. (See instructions in Circular No. 317, and on p. 71 of these regulations.)

REPORT SHOWING DISPOSITION OF FRUIT BRANDY AFTER BEING GAUGED.

Collectors will make a report to the Commissioner of Internal Revenue on Form 247 on the 15th and last days of each month, showing in

detail the fruit-brandy tax paid, warehoused, or reported for assessment of tax in their respective districts during the period covered by the report.

When fruit brandy is not removed from the distillery for deposit in a special bonded warehouse, as provided by the act of March 3, 1877, as amended by the act of October 18, 1888, or when the tax thereon is not paid before the expiration of four months from the 10th day of the month succeeding that in which the brandy was gauged, the collector will report the tax for assessment on the first list—Form 23—prepared after such four months expire.

If the tax on the brandy is paid by stamps the date of such payment will be entered in column 4 of Form 247, and the serial number of the tax-paid stamps affixed will be entered in column 5, and columns 6 and 7 will be left blank.

In case the brandy is removed to a special bonded warehouse the numbers of the special bonded-warehouse stamps affixed will be entered in column 6, and columns 4, 5, and 7 will be left blank.

If the tax on the brandy is reported for assessment the monthly list on which reported will be entered in column 7, and columns 4, 5, and 6 will be left blank.

USE OF ALCOHOLIC VAPOR IN THE MANUFACTURE OF VINEGAR.

Section 3282, Revised Statutes, as amended by the act of March 1, 1879, reads as follows:

No mash, wort, or wash, fit for distillation or for the production of spirits or alcohol, shall be made or fermented in any building or on any premises other than a distillery duly authorized according to law; and no mash, wort, or wash so made and fermented shall be sold or removed from any distillery before being distilled; and no person, other than an authorized distiller, shall, by distillation, or by any other process, separate the alcoholic spirits from any fermented mash, wort, or wash; and no person shall use spirits or alcohol, in manufacturing vinegar or any other article, or in any process of manufacture whatever, unless the spirits or alcohol so used shall have been produced in an authorized distillery and the tax thereon paid. Every person who violates any provision of this section shall be fined for each offense not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years: *Provided further*, That nothing in this section shall be construed to apply to fermented liquors, or to fermented liquids used for the manufacture of vinegar exclusively. But no worm, goose-neck, pipe, conductor, or contrivance of any description whatsoever whereby vapor might in any manner be conveyed away and converted into distilled spirits, shall be used or employed or be fastened to or connected with any vaporizing apparatus used for the manufacture of vinegar; nor shall any worm be permitted

on or near the premises where such vaporizing process is carried on. Nor shall any vinegar factory, for the manufacture of vinegar as aforesaid, be permitted within six hundred feet of any distillery or rectifying house. But it shall be lawful for manufacturers of vinegar to separate, by a vaporizing process, the alcoholic property from the mash produced by them, and condense the same by introducing it into the water or other liquid used in making vinegar. No person, however, shall remove, or cause to be removed, from any vinegar factory or place where vinegar is made, any vinegar or other fluid or material containing a greater proportion than two per centum of proof spirits. Any violation of this provision shall incur a forfeiture of the vinegar, fluid, or material containing such proof spirits, and shall subject the person or persons guilty of removing the same to the punishment provided for any violation of this section. And all the provisions of sections thirty-two hundred and seventy-six, thirty-two hundred and seventy-seven, and thirty-two hundred and seventy-eight of the Revised Statutes of the United States are hereby extended and made applicable to all premises whereon vinegar is manufactured, to all manufacturers of vinegar and their workmen or other persons employed by them.

The section, as amended, no longer contains the restrictions forbidding the use of alcoholic vapor and the distillation of fermented liquids in the manufacture of vinegar, and the manufacturers of vinegar are expressly authorized to separate by a vaporizing process the alcoholic property from the mash produced by them, and to condense the same by introducing it into the water or other liquid used in making vinegar. But it seems clear that the privilege as granted in the act of March 1, 1879, is limited; that it is not intended to permit the manufacture of distilled spirits; that the mingling of the alcoholic vapor with the water or other liquid must be confined to the purpose contemplated by the law; and that any manner of contrivance whereby the vapor of alcohol could be conducted into a receptacle where it would or could be condensed by itself, and so become distilled spirits, or any contrivance for cooling the liquid which receives the vapor to such a degree that a small or limited quantity of water or other liquid would be enabled to receive and condense an unlimited quantity of alcohol, is prohibited.

Where artificial means are employed for condensing at vinegar factories it is required that the condensing vessels shall be open and uncovered, and that the condensing apparatus shall be simple in its construction.

Closed or covered condensers are permitted only in cases where the alcoholic vapor is condensed simply by being introduced into the liquid used in the production of vinegar, and in such cases the condensers must be provided with a manhole that will admit of a ready examination of the whole interior of the condensing vessel.

But the use of any worm, goose-neck, pipe, conductor, or contrivance of any description, whereby the vapor might be removed and converted into distilled spirits, is interdicted, "nor shall any worm be permitted on or near the premises where such vaporizing process is carried on."

The absolute prohibition by the statute of a worm upon or near the premises gives additional force to the otherwise clear intent of the law, that the alcoholic vapor which the vinegar manufacturer is at liberty to separate from the mash shall not only be conducted to the liquid receiving the same by the shortest and most direct line practicable, but that the pipes used for this purpose must not be surrounded with water, and must be capable of examination for their entire length.

It is expected that collectors will exercise a strict surveillance over each and every apparatus set up and used in their respective districts for the manufacture of vinegar by the introduction of alcoholic vapor into any liquid, and will in so doing be governed by the general principles as above set forth; and will also see that such an apparatus is not set up within 600 feet of any distillery or rectifying house, except as provided hereinafter under the head of "Vinegar factories established prior to March 1, 1879."

The provisions of sections 3276, 3277, and 3278, Revised Statutes, are applicable to all premises whereon vinegar is manufactured, and to the manufacturers, their workmen and employés.

Revenue officers have the same right to enter into vinegar factories and to examine the premises, apparatus, methods of operation, material in course of manufacture, and the product, as they have at distilleries and rectifying houses; and any refusal to admit them, or hindrance or obstruction of them in the performance of their duty, is punishable with like penalties.

Collectors and their deputies and revenue agents are expected and required to visit all vinegar factories within their districts frequently and to carefully examine the processes of manufacture, the machinery or apparatus in use, and the character of the product, and make due report thereon.

No apparatus for the separation of the vapor, other than by the shortest and most direct practicable method of introducing the vapor from the mash to and into the fluid intended to receive and condense it, is warranted by law, and the presence of any worm or other contrivance whereby the vapor can be condensed before or without infusion into water or some other liquid or material should be promptly reported to the collector of the district and to this office.

When water is used as the recipient of the alcoholic vapor, the resulting mixture should be frequently tested, to see to what proof it is raised, and at what proof it is acetified.

No person shall remove, or cause to be removed, from any vinegar factory or place where vinegar is made, any vinegar or other fluid or material containing a greater proportion than 2 per cent of proof spirits.

The vinegar or fluid removed from vinegar factories should from time to time be tested, to ascertain if it contains any greater proportion of proof spirits than is permitted by law.

The production at vinegar factories of low wines exceeding 20 per cent in proof is not to be permitted, except when specially authorized by the Commissioner of Internal Revenue, which authority will be given only when the necessity therefor is clearly shown.

REGISTRY OF STILLS SET UP FOR THE PRODUCTION OF VINEGAR.

Under the provisions of section 3258, Revised Statutes, every person having in his possession or custody, or under his control, any still or distilling apparatus set up is required to register the same with the collector of the district in which it is, and forfeiture, penalty, and imprisonment are provided for failure to so register.

This law applies to all stills or distilling apparatus, of whatever size, and for whatever purpose intended, and accordingly collectors will invariably require the registration of all distilling apparatus set up for the manufacture of vinegar.

This registry will be made on Form 26, in duplicate, as directed herein under the head of "Registry of stills," care being taken to enter in the column "For what purpose to be used," on the form, the words "Making vinegar."

VINEGAR FACTORIES ESTABLISHED PRIOR TO MARCH 1, 1879.

By an act approved June 14, 1879, it is provided—

That any vinegar factory for the manufacture of vinegar, established and operated as a vinegar factory prior to March first, eighteen hundred and seventy-nine, may be operated for the manufacture of vinegar by the use of alcoholic vapor within such distance less than six hundred feet of any distillery or rectifying-house under such regulations as the Commissioner of Internal Revenue may prescribe with the approval of the Secretary of the Treasury.

It is therefore prescribed that any person desiring to operate a vinegar factory for the manufacture of vinegar by the use of alcoholic vapor, which factory was established and operated as a vinegar factory prior to March 1, 1879, and is now situated within less than 600 feet

of a distillery or rectifying house, may make application for that purpose to the collector of his district, setting forth when said factory was established, and for how long a period previous to March 1, 1879, it was actually used and occupied for the manufacture of vinegar, and the distance between the premises and the premises occupied by the nearest distiller or rectifier. The collector shall thereupon verify the facts stated in said application, and forward it to this office with his certificate.

Upon receipt thereof, if the fact of operation before March 1, 1879, be clearly proven, the collector will be notified to permit such factory to be operated by the use of alcoholic vapor within any distance from a distillery or rectifying house not less than 200 feet in a direct line, provided there be no means of communication between the different premises other than upon and over a public street or highway, or to be operated within a less distance than 200 feet in a direct line from a rectifying house where the rectification of spirits is carried on without the use of stills or leach tubs, provided the factory and rectifying house are separated from each other by a public street or highway at least 40 feet in width.

No distillery or rectifying house is permitted to be located within 600 feet of an established vinegar factory employing the vaporizing process.

IMITATION SPARKLING WINES AND COMPOUND LIQUORS TO BE SOLD AS WINE OR AS A SUBSTITUTE FOR WINE.

Section 3328, United States Revised Statutes, provides as follows:

On all wines, liquors, or compounds known or denominated as wine, and made in imitation of sparkling wine or champagne, but not made from grapes grown in the United States, and on all liquors, not made from grapes, currants, rhubarb, or berries, grown in the United States, but produced by being rectified or mixed with distilled spirits or by the infusion of any matter in spirits, to be sold as wine, or as a substitute for wine, there shall be levied and collected a tax of 10 cents per bottle or package containing not more than one pint, or of 20 cents per bottle or package containing more than one pint and not more than one quart, and at the same rate for any larger quantity of such merchandise, however the same may be put up, or whatever may be the package. The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps denoting the tax herein imposed, to be affixed to each bottle or package containing such merchandise, by the person manufacturing, compounding, or putting up the same, before removal from the place of manufacture, compounding, or putting up; and said stamp shall be affixed and canceled in such manner as the Commissioner may prescribe; and the absence of such stamp from any bottle or package containing such merchandise shall be prima facie evidence that the tax thereon has not been paid, and such merchandise shall be forfeited

to the United States. Any person counterfeiting, altering, or reusing said stamps shall be subject to the same penalties as are imposed for the same offenses in relation to proprietary stamps.

Sparkling wines are produced by two processes. One is what is known as the natural process, by which the carbonic-acid gas, which imparts the sparkling property to the wine, is evolved by fermentation. In the artificial process the carbonic-acid gas is infused into the wine. The products of the former process are recognized as genuine sparkling wines, and are not subject to taxation under the internal-revenue laws; the products of the latter are imitation sparkling wines, and are subject to taxation under said section 3328, unless made from grapes grown in the United States. The use of any other material than such as may be necessary to convert the domestic grape into sparkling wine renders the article produced subject to tax.

The infusion of carbonic-acid gas into wine made exclusively from grapes grown in the United States, and the "fortifying" of the same by the addition of not exceeding 10 per cent of proof spirits, is, however, deemed a part of the manufacture of genuine native wine, and is therefore permitted without rendering the product liable to taxation under section 3328, Revised Statutes, or constituting the producer a rectifier.

The infusion of carbonic-acid gas into wine made from currants, rhubarb, or berries, however, renders the product taxable.

It is well known that large quantities of imitation sparkling wines are made in this country from cheap foreign wines, and put up in bottles with labels, corks, sealing wax, etc., in imitation of popular brands of imported champagne. So close is this resemblance that when the wines are once put upon the market it is almost impossible for revenue officers in examining the stock of a dealer to determine whether such wines are liable to the tax under said section or not. Collectors should, therefore, watch carefully all establishments in their districts where they have reason to suppose that such imitation wines are manufactured, and see that the proprietors of the same comply with all the requirements of the law.

The second class of liquors taxed under said section consists of those produced by being rectified, or mixed with distilled spirits, or by the infusion of any matter in spirits to be sold as wine or as a substitute for wine. Liquors made directly from grapes, currants, rhubarb, or berries grown in the United States, without the admixture of distilled spirits, are not taxable under this section. To render a liquor that has been produced by being rectified or mixed with distilled spirits or by the infusion of any matter in spirits liable to tax, it must be sold as wine

or as a substitute for wine. This language includes not only those liquors that are sold under the specific name of wine, but also such as are of a similar character to wine and are popularly classed as wine in contradistinction to spirituous liquors. Genuine wine is the product of the vinous fermentation of certain fruits, but the article taxed under this section is a compound liquor, having as a basis distilled spirits, and sold as wine or as a substitute for wine. Revenue officers, in determining the liability of this class of liquors to tax, will be guided in a great measure by the manner in which the liquors are put upon the market and offered to the public, the general character of the liquor, and whether it is sold under the general name of wine, or is represented as possessing the properties of or being a substitute for wine.

Under section 3244, Revised Statutes, all persons manufacturing the imitation sparkling wines and compound liquors described in section 3328, Revised Statutes, are rectifiers, and liable to all the requirements of law as such. In their monthly return, Form 45, which if not rendered voluntarily shall be demanded by the collector each month, they will report on a sepatate line the quantity of imitation sparkling wine not made from grapes grown in the United States, and all liquors produced by being rectified or mixed with distilled spirits, or by the infusion of any matter in spirits to be sold as wine or as a substitute for wine, manufactured, compounded, or put up by them during the month, and the quantity of such merchandise removed from the place of manufacture.

Suitable and special stamps have been prepared by the Commissioner of Internal Revenue denoting the tax imposed by this section, as follows: Stamps for imitation wines or substitute, 1 pint, 10 cents; stamps for imitation wines or substitute, 1 quart, 20 cents. These stamps are of the kind known as "strip stamps," and will be issued in sheets. They are designed to be placed over the cork or stopper of the bottle in such manner that in opening the same the stamp shall be effectually destroyed. These stamps will be accounted for by the collectors on the same forms as stamps for distilled spirits. They will be sold by collectors to persons manufacturing, compounding, or putting up the wines and liquors described therein. These stamps must be canceled by such persons writing or imprinting thereon in ink the name of the person or firm affixing the same, and the day, month, and year of such canceling, and must be so affixed to the bottle or package that in opening the same the stamp shall be effectually destroyed.

REGULATIONS INCONSISTENT HEREWITH REVOKED.

All regulations and instructions heretofore published inconsistent with these regulations are hereby revoked.

Collectors will furnish distillers, rectifiers, and wholesale liquor-dealers with a copy of these regulations, and all officers of internal revenue will see that the regulations are promptly and strictly carried out; and any neglect or failure to comply with the same, on the part of any officer, will be deemed sufficient cause for his immediate dismissal from office.

JOHN W. MASON,
Commissioner.

Approved:
WILLIAM WINDOM,
Secretary of the Treasury.

APPENDIX.

CONCERNING THE REMISSION OF TAX ON DISTILLED SPIRITS LOST BY CASUALTY, USED FOR SCIENTIFIC PURPOSES, OR EXPORTED FROM THE UNITED STATES.

ABATEMENT OR REFUNDING OF TAXES ON DISTILLED SPIRITS DESTROYED BY CASUALTY.

Section 3221, Revised Statutes, as amended by section 6 of the act of March 1, 1879, provides that—

The Secretary of the Treasury, upon the production to him of satisfactory proof of the actual destruction by accidental fire or other casualty, and without any fraud, collusion, or negligence of the owner thereof, of any distilled spirits, while the same remained in the custody of any officer of internal revenue in any distillery warehouse, or bonded warehouse of the United States, and before the tax thereon has been paid, may abate the amount of internal taxes accruing thereon, and may cancel any warehouse bond or enter satisfaction thereon, in whole or in part, as the case may be. And if such taxes have been collected since the destruction of said spirits, the said Secretary shall refund the same to the owners thereof out of any moneys in the Treasury not otherwise appropriated. *And when any distilled spirits are hereafter destroyed by accidental fire or other casualty, without any fraud, collusion, or negligence of the owner thereof, after the time when the same should have been drawn off by the gauger and placed in the distillery warehouse provided by law, no tax shall be collected on such spirits so destroyed, or, if collected, it shall be refunded upon the production of satisfactory proof that the spirits were destroyed as herein specified.*

[Liability for tax on bonded spirits accrues immediately upon the destruction of the spirits. (Insurance Co. *v.* Thompson *et al.*, 5 Otto, 547.)]

[Liability of obligors on warehousing bonds to pay the tax on spirits destroyed in a distilling warehouse can be relieved only in the manner prescribed by the statute. (Farrell *v.* United States, 9 Otto, 221; 25 Int. Rev. Rec., 83.)]

[The statute (section 3221, Revised Statutes) contemplates that the burden of proof shall be on the applicant. (Opinion of Solicitor of the Treasury, letter to Secretary of the Treasury of October 21, 1885.)]

Section 3222 provides that—

The preceding section shall take effect in all cases of loss or destruction of distilled spirits as aforesaid which have occurred since January one, eighteen hundred and sixty-eight.

[The foregoing section does not embrace the amendment to section 2221, Revised Statutes, by section 6, act of March 1, 1879, which by its own terms relates only to spirits *thereafter destroyed.*]

Section 3223, Revised Statutes, as amended by section 3 of the act of March 1, 1879, provides—

When the owners of distilled spirits in the cases provided for by the two preceding sections may be indemnified against such tax by a valid claim of insurance, for a sum greater than the actual value of the distilled spirits before and without the tax being paid, the tax shall not be remitted to the extent of such insurance.

[The liability for tax on bonded spirits is an insurable interest. (Ins. Co. *v.* Thompson *et al.*, 5 Otto, 547.)]

[An insurance policy upon whisky in bond, without reference to the Government tax, entitles the assured to include the tax in his recovery in case of loss, if the assured is liable for the tax. (Hedger *v.* Union Ins. Co., circuit court, district of Kentucky, Fed. Rep., Vol. XVII, 498.)]*

(1.)

CLAIMS FOR REMISSION OF TAX ON SPIRITS DESTROYED IN DISTILLERY WAREHOUSE.

To obtain the relief afforded by the foregoing provisions of law, the owner of the spirits destroyed will file with the collector in whose district the loss occurred a sworn statement setting forth the date, origin, and nature of the destruction; the quantity of spirits lost by leakage, evaporation, or other cause prior to the casualty; † the quantity actu-

* In view of the foregoing statute (section 3223, Revised Statutes, as amended) and the decisions above cited, it is held, in cases where it is not expressly stipulated in the policies of insurance that the Government tax is not included in the insurance on the spirits, that the owner of the spirits is not entitled to any allowance, under section 3221, Revised Statutes, on so much of the tax as is equal to the valid insurance in excess of the actual value of the spirits exclusive of the tax. For instance, if the market value of a gallon of spirits exclusive of the tax is $1.10 and the insurance on the same is $1.50, the amount abatable thereon, under section 3221, is only 50 cents, the tax not being remitted to the extent of the excessive insurance, which is 40 cents.

† The word "CASUALTY," as employed in section 3221, Revised Statutes, is held to apply only to losses occasioned by some unforeseen and unavoidable *accident*, such as a loss by flood or by the breakage of a package, and not to losses resulting from a gradual leakage, the allowance for which must be adjusted, if at all, under the provisions of section 17, act of May 28, 1880.

ally destroyed by the casualty (specifying the number of packages, the serial number of each package, the serial number of the stamp affixed thereto, and the actual contents thereof in wine, proof, and taxable gallons); the quantity of spirits remaining after the casualty; that the destruction of the spirits was accidental, and without any fraud, collusion, or negligence on his part; that the spirits were owned by him at the time of their destruction, and that he is not in any manner indemnified against the tax by any valid claim of insurance. The claimant will also state in his application whether any indemnity against the loss of the spirits or any of the distilled property was held by him or by any other person at the time the loss occurred, and, if so held, the amount thereof, and the value of the property so insured, and the amount of insurance paid.

The statement as to the insurance should be in detail, showing the amount and date of each policy, and the value of each class of spirits covered by such policies.

Certified copies of all policies covering the spirits destroyed will also be furnished where the amount thereof exceeds the value of such spirits.

In addition to the foregoing statement, the sworn statements of the gauger and storekeeper on duty at the warehouse at the date of the destruction must be filed with the collector, setting forth in detail the quantity of spirits in the warehouse at that date and the quantity remaining after the casualty; that no unauthorized allowance or withdrawal has been made or permitted by them to be made in favor of the claimant or any other person; that they believe the spirits to have been actually and accidentally destroyed, without fraud, collusion, or negligence of the owner thereof.

In case the storekeeper or gauger, or both, were present at the destruction of the spirits, they will, if possible, state the origin of the fire or other casualty, with the circumstances connected with the same. They will also state what efforts were made to prevent the destruction of the warehouse and contents, what efforts were made to remove the spirits to a place of safety, and whether, in their opinion, the actions of the owner of the spirits indicated a real desire to save the same from destruction.

If not present at the time of destruction they will so state, giving the date of their last visit at the warehouse, and whether, in their opinion, the alleged loss of the spirits was without fraud, collusion, or negligence of the owner.

Claimants and collectors should bear in mind that what is needed is a clear statement of the facts of a case by eyewitnesses or those having

personal knowledge of what they assert, showing just how and where the accident or loss occurred.

When the Secretary has the facts before him he can judge whether the assertions and the opinions of affiants are correct as to the matter of fraud or negligence.

Whenever a collector is advised of the destruction of any distilled spirits while stored in a distillery warehouse or bonded warehouse in his district, he will himself, or by his deputy, immediately visit the premises and make a thorough investigation as to the destruction reported. He will, if possible, obtain the sworn statements of at least three disinterested persons who witnessed the destruction or had knowledge of the circumstances connected therewith, as to the nature of the fire or other casualty, as to the efforts made to save the spirits from destruction, and as to the general character of the claimant. He will also ascertain the market value of the spirits at the time of their destruction and the amount of indemnity covered by insurance.

After having made the investigation here ordered and having received the application and other evidence of loss, the collector will forward to the Commissioner of Internal Revenue all the papers in the case, together with a report of the investigation made by him, and he will state in his report the market value of the spirits at the time of their destruction, the amount of indemnity covered by insurance, and his opinion as to the general character of the claimant, the reliability of the several witnesses, and as to the propriety of allowing the claim.

Should the result of an investigation into an alleged loss indicate that fraud has been committed or attempted, the collector will forward at once a report of such investigation, without awaiting the filing of the application of the owner of the spirits; and in any case, should the owner of any distilled spirits claimed to have been destroyed neglect to file the application and other evidence of loss, as required by the foregoing regulations, within thirty days from the date of the alleged destruction, the collector will at once forward to the Commissioner a full report of the investigation required of him to be made.

Where a claim for abatement has been filed and not allowed by the Secretary of the Treasury before the time when the tax on the spirits becomes due, the collector will immediately notify the Commissioner of Internal Revenue of the fact and await instructions as to placing the warehousing bonds covering such spirits in the hands of the United States district attorney for suit.

When the claim is received by the Commissioner he will cause it to be examined and compared with the files and records of his office, and

having obtained such additional evidence in the case as may, in his judgment, be necessary, he will indorse thereon his opinion in regard to the validity of the claim and recommend such disposition of it as he may deem proper. He will thereupon transmit the claim, with all the papers, to the Secretary of the Treasury, who will return the same to the Commissioner of Internal Revenue, with his final decision in the case, as provided by law. And the collector will, upon notice that the claim or any part thereof has been allowed, take credit, on the proper line on his bonded account, Form 94*a*, for the amount of such allowance, forwarding as a voucher a copy of the notice authorizing the credit to be taken.

In case the claim is for the refunding of taxes paid on distilled spirits, subsequent to their destruction, it will be made out on Form 46 and, in addition to the certificates required by that form, will be accompanied by the affidavits of the gauger, storekeeper, and the owner of the spirits, and report of the collector, as in the case of a claim for an allowance in the bonded account.

(2.)

CLAIMS FOR REMISSION OF TAX ON SPIRITS LOST BY CASUALTY WHILE IN RECEIVING CISTERNS.

Under the amendment to section 3221, Revised Statutes, before quoted, the Secretary of the Treasury is authorized to abate the taxes on spirits accidentally destroyed in the receiving cisterns after March 1, 1879, and after they should have been drawn off by the gauger and placed in a distillery warehouse, as provided by section 3267, Revised Statutes. This section provides that:

On the third day after the spirits are conveyed into such cistern they shall be drawn off into casks, under the supervision of such gauger in the presence of the storekeeper, and be removed directly to the distillery warehouse; but, on special application to the collector by the owner, agent, or superintendent of any distillery, the spirits may be drawn off from the said cisterns, under the supervision of the gauger, at any time previous to the third day.

Where the remission of tax on spirits destroyed in receiving cisterns is claimed under section 3221, Revised Statutes, the proof of loss hereinbefore prescribed in case of destruction of spirits in distillery warehouse, so far as applicable, will be required in support of such claim, and in addition thereto the applicant will be required to show to the satisfaction of the Secretary of the Treasury that the spirits were destroyed "*after the time when the same should have been drawn off by the gauger and placed in*

the distillery warehouse provided by law," and that the delay in drawing off such spirits and the destruction of the spirits was due to no fault of the claimant or any of his agents or employés.

WILLIAM WINDOM,
Secretary.

FEBRUARY 7, 1890.

WITHDRAWAL OF ALCOHOL FROM BOND FOR SCIENTIFIC PURPOSES, AND OF DISTILLED SPIRITS FOR THE USE OF THE UNITED STATES, FREE OF TAX.

Section 3297 of the Revised Statutes of the United States provides that—

The Secretary of the Treasury is authorized to grant permits to any incorporated or chartered scientific institution or college of learning to withdraw alcohol in specified quantities from bond without payment of the internal-revenue tax on the same, or on the spirits from which the alcohol has been distilled, for the sole purpose of preserving specimens of anatomy, physiology, or natural history belonging to such institution, or for use in its chemical laboratory: *Provided*, That applications for permits shall be made by the president or curator of such institution, who shall file a bond for double the amount of the tax on the alcohol to be withdrawn, with two good and sufficient sureties, to be approved by the Commissioner of Internal Revenue, and conditioned that the whole quantity of alcohol so withdrawn from bond shall be used for the purposes above specified, and for no other, and that the said president or curator shall comply with such other requirements and regulations as the Secretary of the Treasury may prescribe; and if any alcohol so obtained is used by any officer, as aforesaid, of such institution for any purposes other than that above specified, then the said officer or sureties shall pay the tax on the whole amount of alcohol withdrawn from bond, together with a like amount as a penalty in addition thereto.

The provisions contained in the foregoing section are extended by the act of Congress approved May 3, 1878 (20 Stat., 48), which provides—

That the Secretary of the Treasury is authorized to grant permits, as provided for in section thirty-two hundred and ninety-seven of the Revised Statutes of the United States passed at the first session of the Forty-third Congress, to any scientific university or college of learning created and constituted such by any State or Territory under its laws, though not incorporated or chartered, upon the same terms and subject to the same restrictions and penalties already provided by said section thirty-two hundred and ninety-seven: *Provided further*, That the bond required thereby may be executed by any officer of such university or college, or by any other person for it, and on its behalf, with two good and sufficient sureties, upon like conditions, and to be approved as by said section is provided.

When alcohol is to be withdrawn from bond under either of the above provisions of law, the applicant will make, through the collector of internal revenue in whose district the institution for which the withdrawal is to be made is situated, a written application to the Secretary of the Treasury for a permit to withdraw such alcohol; and, in case the institution named is an incorporated or chartered institution, the application will be made by the president or curator, and in such cases a copy of the charter, or articles of incorporation, should be annexed to the application, unless a copy thereof has been furnished with a previous application.

The application in all cases must be sworn to or affirmed before an officer authorized to administer oaths, and should specify the actual contents of each package, as shown by the gauger's report. If the packages have remained in the warehouse for more than thirty days, a regauge should be applied for, under section 17 of the act of May 28, 1880, and the application should specify the spirits, as shown by such regauge, and will be in the following form, viz:

To the SECRETARY OF THE TREASURY:

The undersigned requests permission to withdraw from the distillery bonded warehouse owned by ——— ———, at ———, in the —— district of ———, the alcohol which was stored in said warehouse on the —— day of ———, 18—, described as follows, viz:

Number of packages.	Marks and serial numbers of packages.	Numbers of warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

for the sole purpose of preserving specimens of anatomy, physiology, or natural history belonging to, or for use in the chemical laboratory of, the *———, located at ———, in the State of ———, of which institution the undersigned is the †———.

[Signed] ——— ———,

———.

* Here state the name of the institution for which the alcohol is to be withdrawn.

† President or curator, if an incorporated or chartered institution, and, if not incorporated or chartered, the *duly authorized agent.*

STATE OF ———, *County of* ———, *ss:*

Personally appearing, ——— ——— made oath before me that the foregoing statement by him subscribed is in all respects correct and true.

Before me,

——— ———. [SEAL.]

Dated ——— ———, A. D., 189—.

At the time of filing the first application, the applicant will make and execute a bond, signed by himself as principal and with two or more sureties, who shall not be officers of the institution in which the alcohol is to be used, but shall be residents of the United States judicial district in which such institution is located, conditioned that the whole quantity of alcohol so withdrawn shall be used for the purpose of preserving specimens of anatomy, physiology, or natural history belonging to the institution, or for use in the chemical laboratory of such institution, and for no other purpose. And withdrawals may be made from time to time under said bond until the same shall have been revoked or canceled by order of the Secretary of the Treasury.

The tax on the alcohol withdrawn from time to time will be charged to the bond and credited only when the alcohol is properly accounted for. The penal sum of the bond must not be less than $200 and never less than double the amount of tax charged to the bond.

Collectors will in no case forward an application which will make or increase the tax liability beyond one-half of the penal sum named in the bond.

The time to be specified in the bond for the production of proof as to the use of the alcohol shall be fixed by the collector accepting the bond.

When the application is made for an incorporated institution, its name should be signed to the bond as principal and its corporate seal affixed by its duly authorized officer, who should also sign his own name as such officer. The bond will be in the following form, viz:

Know all men by these presents that ——— ———, of ———, as principal, and ——— ———, of ———, and ——— ———, of ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars, to be paid to the said United States; for the payment whereof we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals this the —— day of ———, eighteen hundred and ninety ———.

The condition of this obligation is such that, whereas the above bounden ——— ———, principal, intends to withdraw from distillery

warehouse, without payment of tax, certain alcohol for the sole purpose of preserving specimens of anatomy, physiology, or natural history belonging to or for the sole purpose of use in the chemical laboratory of the* ———, in the† ———, of ———, of‡ ———, and State of ———.

Now, therefore, if the entire quantity of alcohol so withdrawn by the said principal from time to time hereafter, and until this bond shall have been revoked or canceled by direction of the Secretary of the Treasury of the United States, shall be used by the said institution, or the proper officer thereof, for the purposes above specified, and for no other purpose, and if the principal of said institution shall, as to each lot of alcohol so withdrawn, produce, within ——— months from the date of such withdrawal, to the collector of internal revenue for the § ——— district of the State of ———, proof satisfactory to that officer and to the Commissioner of Internal Revenue that the said alcohol has been so used for the purposes above specified, and for no other purpose, and shall comply with such other requirements and regulations as the Secretary of the Treasury may prescribe, then this obligation to be void; otherwise, to be and remain in full force and virtue.

And the obligors, for themselves, their heirs, executors, administrators, and assigns, do further covenant and agree with the United States, in case said alcohol, or any part thereof, shall be used for any purposes other than those above specified, well and truly to pay or cause to be paid to the collector aforesaid the tax on the whole amount of alcohol withdrawn from bond, together with a like amount as a penalty in addition thereto.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Signed, sealed, and delivered in presence of—

——— ———.
——— ———.

Said bond, together with the first application for permit, will be deposited by the applicant with the collector of internal revenue for the district where the institution in which the alcohol is to be used is located, and said collector of internal revenue will forward such bond

* Here state the name of the institution or college.

† Town or city.

‡ County or parish.

§ District in which the institution is located.

and application to the Commissioner of Internal Revenue, accompanied with his certificate that he has examined said bond and finds it made in accordance with these regulations, and that the sureties therein are sufficient. He will also certify that he has examined the matters stated in the accompanying application and finds them to be true, and that said application appears to him to have been made in good faith. He will also keep a copy of the bond, or a memorandum of its date, penal sum, and the names of the signers; and whenever an application for alcohol is made after the first one, the collector will certify to the Commissioner of Internal Revenue that the bond remains good, or will notify him of any change affecting the responsibility of the signers.

If, in the opinion of the Commissioner of Internal Revenue, the institution named in the application is entitled under the law to the alcohol applied for (see p. 183), the bond will be approved by him, if satisfactory in all other respects, and the principal therein named, or (if the bond is given in the name of the institution) any duly authorized officer of the institution, may from time to time make application, in the form prescribed, for the withdrawal of alcohol as occasion may require: *Provided*, The penal sum of the bond is equal to double the amount of tax on the alcohol to be withdrawn, after deducting all outstanding charges on the bond; and upon receipt of an application, the Commissioner of Internal Revenue will transmit the same to the Secretary of the Treasury, with a notification of the approval of the bond when the first application is forwarded, and afterwards with a reference to the bond under which the application is made.

For the cancellation of the foregoing bond, or for the purpose of obtaining a credit on said bond, a certificate, under oath, and substantially in the following form, will be required of the officer or officers of the institution under whose direction or supervision the alcohol has been used, such certificate to be filed with the collector named in the bond, and, if approved, to be forwarded by him to the Commissioner of Internal Revenue with his approval indorsed thereon:

I, ——— ———, hereby certify that the alcohol described in the application of ——— ———, dated the —— day of ———, 18—, and withdrawn, under bond, from the distillery warehouse of ——— ———, in the —— district of ——, under the provisions of section 3297, Revised Statutes, for the preservation of specimens of anatomy, physiology, or natural history belonging to, or for the sole purpose of use in the chemical laboratory of the*———, was received at said institution on or about the —— day of ———, 18—, and has been wholly used under my super-

* Here insert the name of the institution.

vision as* ——— of said institution for the purpose above specified, and for no other purpose.

——— ———,

———.

———, } ss:
———,

Personally appearing, ——— ——— made oath before me that the foregoing statement by him subscribed is in all respects correct and true.

——— ———. [SEAL.]

Dated ———, ———, 189–.

Where the principal to the bond is unable, from good cause, to furnish the required proof within the time specified in his bond, an extension of time, not exceeding one-half the period named in the bond, may be obtained upon application therefor to the Commissioner of Internal Revenue, accompanied by the consent of the sureties to the bond to such extension; such application and consent to be approved by the collector with whom the bond was originally filed.

The extension asked for must be for a specified time, not exceeding that above stated, and the application therefor must set forth the reasons why the condition of the bond as to the presentation of proof has not been complied with, and must be sworn to; and the accompanying consent of the sureties to the bond must be executed under seal, and witnessed as in the case of giving an original bond

PURPOSES FOR WHICH ALCOHOL MAY BE USED.

By section 3297 "the Secretary is authorized to grant permits to any incorporated or chartered scientific institution or college of learning to withdraw alcohol * * * from bond" free of tax "for the sole purpose of preserving specimens of anatomy, physiology, or natural history belonging to such institution, or for use *in* its *chemical* laboratory."

From this language it is obvious that alcohol so withdrawn can not be used *outside* of the chemical laboratory of an institution for bathing or washing purposes, or for any other purpose than that of preserving specimens of anatomy, physiology, or natural history belonging to such institution.

Alcohol, however, can be used *in* the chemical laboratory of an institution which is allowed by law to withdraw it free of tax, for burning

* The official designation of the party under whose supervision the alcohol was used should be here stated.

in spirit lamps, and also in the manufacture of tinctures, liniments, and other pharmaceutical preparations or compounds for the use of its patients, provided such preparations are not sold to any person whatever.

In regard to the nominal charge which is made in some institutions to their patients for medicines, the Department holds that while, for the cancellation of the bond given to obtain the alcohol, proof must be presented that it was all used for the purposes specified in the bond, yet if it should appear from the proof that a portion had been used in the chemical laboratory in the preparation of prescriptions for which a nominal charge only had been made to those patients who were able to pay for the same, and that such charge would no more than cover the actual cost of the material used exclusive of the alcohol, it is probable that the Department would regard the condition of the bond as substantially complied with, and would direct that the proper credit be given on the bond.

WITHDRAWAL OF DISTILLED SPIRITS FOR THE USE OF THE UNITED STATES.

Section 3464 of the Revised Statutes of the United States provides that "the privilege of purchasing supplies of goods imported from foreign countries for the use of the United States, duty free, which now does or hereafter shall exist by provision of law, shall be extended under such regulations as the Secretary of the Treasury may prescribe, to all articles of domestic production which are subject to tax by the provisions of this title" (Title XXXV).

When any distilled spirits, which are stored in a distiller's bonded warehouse, are purchased for the use of the United States, the officer purchasing the same, in his official capacity, may make application to the *Secretary of the Treasury* for delivery of the goods free of internal-revenue tax in the following form, specifying the number of gallons, according to the regauge, if stored more than thirty days:

——— ———,

———, ———, 189–.

To the SECRETARY OF THE TREASURY:

The undersigned requests permission to withdraw from the distillery bonded warehouse owned by ——— ———, at ———, in the ——— district of ———, the distilled spirits which were stored in said warehouse on the —— day of ———, 18–, and which were gauged or regauged

on the —— day of ———, 18–, *each package being specified in detail as follows, viz:

Number of packages.	Serial numbers of packages.	Numbers on warehouse stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Amount of tax.

for the use of the United States in the ———, at ———, the said spirits having been purchased on the ——— day of ———, 18–, at a price not including the tax thereon, or any part thereof.

(Signed) ——— ———,

——— ———.

ISSUING OF PERMITS UNDER SECTIONS 3297 AND 3464, REVISED STATUTES.

Upon receipt of the application filed under either of the foregoing provisions of law and notice, in case of withdrawals under section 3297, Revised Statutes, of the approval of the bond by the Commissioner of Internal Revenue, the Secretary of the Treasury will issue, and transmit through the Commissioner of Internal Revenue, a permit in duplicate, one copy of which will be forwarded to the applicant and the other copy to the collector of internal revenue for the district in which the distillery warehouse is located, which permit will be substantially in the following form, viz:

TREASURY DEPARTMENT,

Washington, D. C., ———, 189–.

SIR: Permission is hereby given ——— ———, ———, of the ———, of ———, to withdraw, under the provisions of section ——, R. S., from the distillery warehouse of ——— ———, in your district, ——— proof gallons of [alcohol, or such other spirits as are designated in the application]† described in the application of ——— ———, dated ———, 189–.

——— ———,

Secretary of the Treasury.

To ——— ———, Esq.,

Collector of Internal Revenue.

* When more than two packages are called for, if the gauger's detailed report is sent with the application, it will suffice to state herein the first and last numbers, and the aggregate proof and taxable gallons.

† The withdrawals authorized for scientific purposes are, by the terms of section 3297, restricted to alcohol.

Upon receipt of the permit, the collector will notify the storekeeper at the bonded warehouse from which the spirits are to be withdrawn that such permit has been granted, inclose him a copy thereof, and direct him to deliver the spirits to the person named therein, or his duly authorized agent, without the payment of tax, upon the delivery to such storekeeper and cancellation by him of the duplicate permit issued to such person. Such cancellation shall be made by writing across the face of said duplicate permit the words "The spirits herein described were delivered to the person herein named this —— day of ———, 189–;"* to be signed by the storekeeper. There shall also be indorsed on the back of said permit the following receipt: "Received the spirits within mentioned this —— day of ——, 189–;" which receipt shall be signed by the person named in said permit. The order to the storekeeper will be in the following form, viz:

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District of the State of* ——,
———, ———, 189–.

SIR: You are hereby directed to deliver the spirits described in the application of ——— ——— to the said ——— ———, or his duly authorized agent, without payment of the tax, in accordance with the terms of the permit granted by the Secretary of the Treasury, a copy of which is inclosed.

Upon delivery of such spirits, you will require the said ——— ——— to acknowledge the receipt thereof, by writing above his signature, on the back of the permit in his possession, the words "Received the within-mentioned spirits the —— day of ———, 189–."*

——— ———, *Collector.*

To Mr. ——— ———, *Storekeeper.*

The storekeeper at such bonded warehouse will report such spirits on his Forms 86 and 87, with the gauger's report (Form 205), as withdrawn, but will state that they were withdrawn without the payment of tax, under the provisions of section 3297 (or section 3464, Revised Statutes, as the case may be), and he will immediately, upon the withdrawal of the spirits as above mentioned, transmit the aforesaid canceled permit to the collector, who will note upon the original permit in his possession the facts of the cancellation of the permit and the withdrawal of and receipt for the spirits therein mentioned, and will transmit the permit so received from the storekeeper to the Commissioner of Internal Revenue.

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*In case of any shortage or discrepancy, the same will be here noted.

The collector of internal revenue will take credit for all spirits so withdrawn on the appropriate line of his bonded account (Form 94*a*) for the month during which such withdrawal is made. He will also make the proper entry on the inside page of that account as to the quantity covered by each permit, and will forward each of such permits with his bonded account as a voucher for such entry.

None of the forms herein prescribed will be furnished by the Department except such as relate to the Bonded Distilled Spirits Account; and if printed forms can not be obtained by parties desiring to withdraw spirits under the sections named, written forms may be used. But in all cases the application and bond must be on separate sheets.

WILLIAM WINDOM,
Secretary.

FEBRUARY 7, 1890.

REGULATIONS FOR THE ALLOWANCE OF DRAWBACK OF INTERNAL-REVENUE TAX ON DISTILLED SPIRITS.

Section 3329, Revised Statutes, as amended by section 10, act of May 28, 1880 (21 Stat., 145), provides that—

Distilled spirits upon which all taxes have been paid may be exported, with the privilege of drawback, * * * in distillers' original casks, [or] *packages* containing not less than twenty wine gallons each, on application of the owner thereof to the collector of customs at any port of entry, and under such rules and regulations and after making such entry, as may be prescribed by law and by the Secretary of the Treasury. The entry for such exportation shall be in triplicate, and shall contain the name of the person applying to export, the name of the distiller, the name of the district in which the spirits were distilled, the name of the vessel by which and the name of the port to which they are to be exported; and the form of entry shall be as follows:

Export entry of distilled spirits entitled to drawback.

Entry of spirits distilled by ——— ———, in ——— district, State of ———, to be exported by ——— ———, in the ———, whereof ——— ——— is master, bound to ———.

And the entry shall specify the whole number of casks or packages, the marks and serial numbers thereon, the quality or kind of spirits as known in commerce, the number of gauge or wine gallons and of proof gallons; and the amount of the tax on such spirits shall be verified by the oath of the owner of the spirits, and that the tax has been paid thereon, and that they are truly intended to be exported to the port of ———, and not to be relanded within the limits of the United States. One bill of lading, duly signed by the master of the vessel, shall be deposited with said collector, to be filed at his office, with the entry retained by him. One of said entries shall be, when the shipment is completed, transmitted to the Secretary of the Treasury, to be recorded and filed in his office. The lading on board said vessel shall be only after the receipt of an order or permit signed by the collector of customs and directed to a customs gauger, and after each cask or package shall have been distinctly marked or branded by said gauger as follows: "For ex-

port from U. S. A.," and the tax-paid stamps obliterated. The casks or packages shall be inspected and gauged alongside of or on the vessel by the gauger designated by said collector, under such rules and regulations as the Secretary of the Treasury may prescribe; and on application of the said collector it shall be the duty of the surveyor of the port to designate and direct one of the custom-house inspectors to superintendent such shipment. And the gauger aforesaid shall make a full return of such inspection and gauging in such form as may be prescribed by the Secretary of the Treasury, showing by whom each cask of such spirits was distilled, the serial number of the cask, and of the tax paid stamp attached thereto, the proof and quantity of such spirits as per the original gauge mark on each cask, and the quantity in proof and wine gallons as per the gauge then made by him. And said gauger shall certify on such return that the shipment has been made, in his presence, on board the vessel named in the entry for export, which return shall be indorsed by said custom-house inspector certifying that the casks or packages have been shipped under his supervision on board said vessel, and the tax-paid stamps obliterated; and the said inspector shall make a similar certificate to the surveyor of the port, indorsed on or to be attached to the entry in possession of the custom-house. A drawback shall be allowed upon distilled spirits on which the tax has been paid and exported to foreign countries, under the provisions of this act, when exported as herein provided for. The drawback allowed shall include the taxes levied and paid upon the distilled spirits exported [at the rate of] *ninety* [cents per proof gallon]* as per last gauge of said spirits prior to exportation, and shall be due and payable only after the proper entries have been made and filed, and all other conditions complied with as hereinbefore required, and on filing with the Secretary of the Treasury the proper claim, accompanied by the certificate of the collector of customs at the port of entry where the spirits are entered for export that such spirits have been received into his custody and the tax-paid stamps thereon obliterated; and the Secretary of the Treasury shall prescribe such rules and regulations in relation thereto as may be necessary to secure the Treasury of the United States against frauds: *Provided*, That the drawback on spirits distilled prior to August one, eighteen hundred and seventy-two, shall not exceed sixty cents per proof gallon.

It is further provided in section 3330, Revised Statutes, that "every person who fraudulently claims, or seeks, or obtains an allowance of drawback on any distilled spirits, or fraudulently claims any greater allowance or drawback than the tax actually paid thereon, shall forfeit and pay to the Government of the United States triple the amount wrongfully and fraudulently sought to be obtained, and shall be imprisoned not more than ten years; and every owner, agent, or master of any vessel, or other person, who knowingly aids or abets in the fraudulent collection or fraudulent attempts to collect any drawback

* The words contained in brackets (originally in the statute, but inadvertently stricken out by the amendatory act of May 28, 1880, and the word "*ninety*" substituted therefor) are here inserted in the amended section to give meaning and effect to the statute.

upon, or knowingly aids or permits any fraudulent change in the spirits so shipped, shall be fined not exceeding five thousand dollars and imprisoned not more than one year, and the ship or vessel on board of which such shipment was made or pretended to be made shall be forfeited to the United States, whether a conviction of the master or owner be had or otherwise, and proceedings may be had in admiralty by libel for such forfeiture."

Any person intending to export spirits upon which the tax has been paid, as provided for in the section first above quoted, must, at least six hours previous to the time for inspecting, gauging, and lading the casks intended for export on which he shall desire to claim a drawback of internal-revenue taxes, present to the collector of customs for the port of entry from which such exportation is to be made an application in duplicate setting forth his intention to export the articles described therein, specifying the whole number of casks, the marks and serial numbers thereon, the kind of spirits as known in commerce, the number of gauge or wine gallons, the number of proof gallons claimed to be contained in each cask, and the amount of tax paid thereon, setting forth his intention to export the same, and the name of the vessel at which the same is to be inspected and gauged, and by which, and the port to which, the same is intended to be exported. Such application must be in the following form, viz:

FORM I.

Notice of shipment and application for drawback.

PORT OF ———, ———, 189–.

SIR: You are hereby requested to cause an examination, inspection, and gauging to be made of the following-described casks, containing ————, intended to be shipped on board the ———, whereof ——— is master, now lying at ———, for exportation to the port of ———, on which a drawback of taxes, paid under internal-revenue laws, is claimed, viz:

Marks.	Serial numbers.	Casks and name of contents.	Number of gauge or wine gallons.	Number of proof gallons.	Amount of taxes paid.

To ——— ———, Esq.,
Collector of Customs.

——— ———, *Exporter.*

On the receipt of this application, in duplicate, the collector will issue an order for the examination, marking or branding, obliterating stamps, inspecting and gauging by a customs gauger, and deliver the same to the gauger, with the original notice of intended shipment and application for drawback, which order will be in the following form, viz :

FORM II.

Order for inspecting, gauging, branding, etc.

No. ——.

PORT OF ———, ———, 189–.

SIR : You will examine and ascertain the marks, numbers, and proper description of the merchandise specified in the annexed original notice of shipment of ———, and application for drawback, and, if found to agree therewith, you will distinctly mark or brand each cask as follows : "FOR EXPORT FROM U. S. A.;" and you will also mark or brand on each cask, in like manner, in addition to the brand above prescribed, the name of the port from, and of that to, which the same is intended to be exported, with the date of shipment, as follows :

———, ———, 189–.
From port of ——— ———,
To port of ——— ———.

You will also inspect and gauge, alongside of or on the vessel named in the annexed application, each cask, and make return thereof in detail, specifying the kind of spirits, as known in commerce, the whole number of casks, the marks and serial numbers thereon, the number of gauge or wine gallons, the degree of proof of the contents of each cask, and number of proof gallons and taxable gallons. You will then cut out and attach to one copy of your report, as hereinafter specified, that portion of each tax-paid stamp upon which is shown the serial number of the stamp, the date of issue, the name of the collector issuing the same, the number of the cask, the contents in proof gallons, and the name of the internal-revenue gauger. You will also stamp or stencil across the face of each warehouse stamp the words "For Export," and you will thoroughly obliterate and destroy the remaining portion of the tax-paid stamp affixed to each cask, and make a detailed report of the stamps so marked and the stamps so destroyed, giving their serial numbers and the representative value of each tax-paid stamp ; also, whether the shipment has been made in your presence on board the vessel named in said notice and application. Your return will be in triplicate, one to be attached to the annexed original notice, one to be attached to the duplicate notice now in the hands of the inspector, and the other, with

the pieces of tax-paid stamps, to be immediately delivered to me to be forwarded to the Commissioner of Internal Revenue.

The inspection and gauging here ordered will be performed with such hydrometers and gauging instruments and under such rules and regulations as are prescribed by the Commissioner of Internal Revenue to secure a uniform and correct system of inspecting, weighing, marking, and gauging of spirits subject to internal-revenue tax.

——— ———,

Collector of Customs.

To ——— ———,

Customs Gauger.

At the time this order for inspecting, gauging, branding, etc., is issued an order shall be also issued to the surveyor of the port (if there be one), or to the proper inspector of the customs, to superintend such shipment, which order shall be attached to the duplicate notice of shipment and application for drawback. This direction shall be given in the following form, viz :

FORM III.

Order for examination and shipment by customs inspector.

PORT OF ———, ———, 189–.

SIR : You will carefully examine the casks described in the annexed duplicate notice of shipment and application for drawback, and if found to agree in all respects therewith you will superintend the lading thereof on board the ———, whereof ——— ——— is master, for ———, and make certificate whether the said casks were shipped under your supervision on board of said vessel, whether the same were stamped and marked, and whether the tax-paid stamps thereon have been obliterated. Your certificate will be in duplicate, to be indorsed, respectively, on the gauger's original and duplicate returns.

——— ———,

Collector or Surveyor (as the case may be).

To ——— ———,

Surveyor (or Inspector) of Customs.

In case the order for inspection is directed to the surveyor, he will append thereto an order to the inspector in the following form :

Inspector ——— ——— will execute the foregoing order.

——— ———,

Surveyor.

Form IV.

Customs gauger's certificate.

Port of ———, ———, 189–.

I hereby certify that, in pursuance of order No. ——, the spirits described in the notice of shipment annexed thereto, each cask of which spirits was distilled and entered into distillery warehouse by ——— ———, between the —— day of ———, 189–, and the ——— day of ———, 189–, were, on the —— day of ———, 189–, on board of [or] alongside of [as the case may be] the vessel hereinafter named, gauged by me and found to be as follows, viz:

Number of packages.	Marks and serial numbers of packages.	Dates and numbers of warehouse stamps.	Numbers of tax-paid stamps.	Wine gallons.	Degree of proof.	Proof gallons.	Taxable gallons.	Am't of tax.*

*The amount of tax stated in this column will not be that indicated by the tax-paid stamp, but will be the tax on the quantity actually found by the gauger, computed at the rate in force when the spirits were produced.

And I further certify that the difference between the quantity as shown by the marks and stamps on the casks and the quantity as shown by my inspection is ——— wine gallons ——— proof gallons and ——— taxable gallons; that I have stamped or stenciled across the face of each warehouse stamp the words "For Export," and that I have entirely obliterated and destroyed all the internal-revenue tax-paid stamps affixed to the packages, except such portion of the tax-paid stamps as have been cut out and affixed by me to the accompanying triplicate detailed report on Form 59, which is to be forwarded to the Commissioner of Internal Revenue. And I further certify that, upon examination, having found the marks, numbers, and description specified in the original notice of shipment and application for drawback of ——— ——— to agree with those found on the casks, I branded each cask as required in said order No. ——; and that the spirits gauged by me were shipped in my presence immediately*———they

*"Before" or "after," as the case may be.

were gauged by me under the supervision of Inspector ——— ———, on board the ———, whereof ——— ——— is master.

———,
United States Customs Gauger.

To ——— ———,
Collector of Customs.

FORM V.

Inspector's certificate.

PORT OF ———, ———, 189–.

I ——— ———, inspector of customs at the port of ———, do certify that the casks mentioned and described in the within gauger's certificate and return have each and all been shipped, under my supervision, on board of the ———, whereof ——— ——— is master, for ———, except as follows: [Here state short shipment, if any.]

And I do also certify that each of said casks had placed thereon "tax-paid stamps," with "the name of the distiller, the district, the date of the payment of the tax, and number of proof gallons, and the number of the stamp" cut or branded upon each cask at the time of such shipment; that all tax-paid stamps thereon were obliterated in my presence, and that, as required by section 3329, Revised Statutes, each package was distinctly marked or branded by the gauger "For export, U. S. A."

Or (as the case may be, according to the facts) that the said casks or certain of them (specifying same), were without tax-paid stamps affixed thereto, and were without the number of the stamp, name of the distiller, the district, the date of payment of the tax, and the number of proof gallons being cut or burned upon each cask, as provided for and required by section 3295 of the Revised Statutes.

———,
Inspector of Customs.

The inspector will deliver the duplicate notice and the gauger's duplicate return, with his certificate indorsed, to the surveyor of the port, who will deliver the same to the collector, to be placed on file in his office.

The original and duplicate return and certificate of the customs gauger and inspector are to be respectively annexed to the original and duplicate notice of shipment and application for drawback in each case, and to be attached to the original and duplicate entry for exportation filed with the collector at the custom-house.

The foregoing proceedings having been had, the exporter shall file with the collector of customs an entry in triplicate of the merchandise described in the "notice of shipment and application for drawback," as found and certified to be by the customs gauger and inspector, and an affidavit, to be taken before the collector of customs, in triplicate, of the exporter of said merchandise, which entry and affidavits will be in the following forms, viz:

FORM VI.

Export entry of distilled spirits entitled to drawback.

PORT OF ———, ———, 189–.

Entry of spirits distilled by ——— ———, in the —— district, State of ———, to be exported by ——— ———, in the ———, whereof ——— ——— is master, bound to ——— (for allowance of drawback under section 3329 of the Revised Statutes).

Number of casks and quality or kind of spirits as known in commerce.	Marks and serial numbers of packages.	Dates and numbers of warehouse stamps.	Numbers of tax-paid stamps.	Wine galls.	Degree of proof.	Proof galls.	Taxable galls.	Amount of tax.

——— ———,

Exporter.

FORM VII.

Exporter's affidavit.

STATE OF ———,

Port of ———.

I, ——— ———, do solemnly swear that the merchandise described in the foregoing entry is now laden on board the ———, whereof ——— ——— is master, for ———, and is truly intended to be exported to the port of ———, and is not to be brought back or relanded within the limits of the United States; that the kind, quantity, and description of said merchandise, as stated in said entry, are correct; that the amount of drawback of tax claimed thereon is ——— dollars and ———cents, and that the said tax has been actually paid thereon as provided by law, and that said spirits were produced between the —— day of ——— and the —— day of ———, 189–, and that such tax was actually paid by ———

——— ——— to the collector of internal revenue for the ——— district, State of ———, on the —— day of ———, 189–, and that I am justly entitled thereto, and that no other claim for drawback of tax has been made or allowed on said merchandise, or any part thereof.

——— ———,
Exporter.

Subscribed and sworn to before me this ——— day of ———, 189–.

——— ———,
Collector of Customs.

The triplicate entry and affidavit will be, when the shipment is completed, transmitted to the Secretary of the Treasury to be recorded and filed in his office.

If the merchandise be exported by any person other than the distiller by whom the tax was paid the exporter shall file with the entry duplicate invoice, or bills of purchase, as evidence of ownership, the duplicate to be annexed to the duplicate entry, with the bill of lading duly signed by the master of the vessel, to be retained by the collector, and the original invoice or bill of purchase, when the shipment is completed, is to be transmitted by the collector of customs, with the original entry and duplicate bond, to the Commissioner of Internal Revenue.

The exporter shall also give bond in duplicate to the United States, with at least two sureties, satisfactory to the collector of customs, conditioned that the principal named in said bond will export the spirits as specified in said entry to the port mentioned and designated in said entry, and that the same shall not be landed within the jurisdiction of the United States. The penal sum named in the bond shall be equal to not less than double the amount of drawback claimed on such distilled spirits. The original of such bond will be filed in the office of the collector of customs, and the duplicate will be transmitted to the Commissioner of Internal Revenue as hereinafter provided.

This bond must be executed and accompany the exporter's affidavit before clearance of the vessel, and shall be in the following form, viz:

FORM VIII.

No. —. *Export bond.*

Know all men by these presents, that ——— ———, of the ———, as principal, and ———, of ———, and ———, of ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars, to be paid the United States, for the payment

whereof we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals this ——— day of ———, eighteen hundred and ninety ———.

The condition of this obligation is such, that whereas the above bounden ———, principal, filed with the collector of customs at the port of ———, in the State of ———, an export entry of certain merchandise described as follows, viz:

Number of casks and quality or kind of spirits as known in commerce.	Marks and serial numbers of packages.	Dates and numbers of warehouse stamps.	Numbers of tax-paid stamps.	Wine galls.	Degree of proof.	Proof galls.	Taxable galls.	Amount of tax.

to be exported from the port of ———, in the State of ———, in the ———, whereof ——— ——— is master, to the port of ———, upon which internal revenue taxes have been paid amounting to ——— dollars and ——— cents, as set forth in said entry, and upon which a drawback of said taxes is claimed: Now, therefore, if the said ——— ———, principal, shall export the said merchandise specified in said entry to the port of ———, and if the same shall not be relanded within the jurisdiction of the United States, and if the certificates and proofs of the export and landing of the said merchandise, required by the regulations of the Secretary of the Treasury, shall be produced to the collector of the port of ———, within the time prescribed by law and regulations made in pursuance thereof for production of like proof in case of imported merchandise exported from the United States, then this obligation to be void; otherwise to remain in full force and virtue.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Signed, sealed, and delivered in presence of—

——— ———.
——— ———.

It will be the duty of the collector and surveyor of customs to take all necessary precautions to prevent the spirits laden on board the ves-

sel for export for benefit of drawback from being relanded before the vessel leaves the port of shipment. The said merchandise should be placed under hatch and seals, and kept under supervision by the proper officers of the customs.

The notice of shipment and application for drawback having been made and filed; the packages of spirits having been inspected, gauged, and the stamps thereon obliterated and the merchandise duly laden for exportation; the returns and certificates of the gauger and inspector having been made and filed; the exporter having filed the entry, taken the prescribed oath and furnished the other requisite proofs and papers, and executed the required bond in duplicate; the said vessel having been duly cleared for the port mentioned in said entry, and actually sailed with the said spirits on board, the collector of customs will transmit without delay to the Commissioner of Internal Revenue the original application for drawback, with the original of all the returns, certificates, the entry and duplicate bond, and other papers appertaining to the case, with a certificate of exportation in the form following, viz:

FORM IX.

Certificate of exportation of distilled spirits with benefit of drawback.

Bond No. —. OFFICE OF COLLECTOR OF CUSTOMS,

Port of ———, ———, 189–.

I hereby certify that the following-described distilled spirits, viz:

Number of casks and quality or kind of spirits as known in commerce.	Marks and serial numbers of packages.	Dates and numbers of warehouse stamps.	Numbers of tax-paid stamps.	Wine galls.	Degree of proof.	Proof galls.	Taxable galls.	Amount of tax.

were duly received into my custody and the tax-paid stamps thereon obliterated; that said spirits were duly laden on board the ———, whereof ——— ——— is master, for ———, and that said merchandise was entered on the outward manifest of said vessel, and that said vessel and cargo were duly cleared from this port to the port of ——— on the —— day of ———, 189–; and I further certify that notice of shipment and application for drawback were duly made and given, and an export

entry and bond were duly executed; and I herewith inclose the originals of all of said papers (except the bond, of which I inclose the duplicate), with other papers, as per memorandum inclosed.

——— ———,
Collector of Customs.

To the COMMISSIONER OF INTERNAL REVENUE.

The papers, on being received by the Commissioner of Internal Revenue, will be compared with the records and files of his office, and, if the facts warrant, will be transmitted by him to the Secretary of the Treasury, with a certificate in the following form:

Certificate No. —. TREASURY DEPARTMENT,
$———. OFFICE OF INTERNAL REVENUE,
Washington, ———, 189–.

This is to certify that, upon comparison of the accompanying papers with the records and files of this office, it is found that the internal-revenue taxes have been paid on the following-described spirits, viz:

Name of distiller.	Serial number of packages.	Serial numbers of warehouse stamps.	Amount of tax paid.	Date of payment of the tax.

——— ———,
Commissioner.

Hon. ——— ———,
Secretary of the Treasury.

If the claim for drawback is allowed, a draft for the amount found due will be forwarded from the Treasury Department. Exporters to avoid miscarriage or delay in receiving their drafts should be particular to give their post-office address in full on the application for allowance of drawback.

For the discharge and cancellation of the export bond of the same, certificates of landing and other evidence will be required as in case of bonds for export of imported merchandise exported from the United States under law and regulations made in pursuance thereof appertaining to the customs.

The entries and bonds are to be numbered in consecutive order from No. 1 upward, and the other papers in each respective case to have corresponding numbers.

The same fees and charges are to be collected in like manner upon exports of spirits for allowance of drawback as are chargeable to exporters for like services in the custom-house in cases of exports of imported merchandise.

In case of failure on the part of the exporter to comply in all respects with the requirements of the law and the regulations made in pursuance thereof, in matters of drawback, the claim for drawback will be disallowed; proof by affidavit will not be received to supply deficiencies of official or record evidence to substantiate the claims, nor will drawback be allowed for taxes claimed to have been paid on distilled spirits exported in casks not stamped, or upon which the name of the distiller, the district, the date of the payment of the tax, and number of proof gallons have not been cut or burned as required by section 3295, Revised Statutes.

WILLIAM WINDOM,
Secretary.

FEBRUARY 7, 1890.

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(Series 7, No. 7, Revised.—Supplement No. 1.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

GOVERNING

Withdrawals from Distillery Warehouses, Free of Tax,

OF

DISTILLED SPIRITS TO BE USED IN THE MANUFACTURE OF SUGAR FROM SORGHUM.

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(UNITED STATES INTERNAL REVENUE.)

REGULATIONS

GOVERNING

WITHDRAWALS FROM DISTILLERY WAREHOUSES, FREE OF TAX, OF DISTILLED SPIRITS TO BE USED IN THE MANUFACTURE OF SUGAR FROM SORGHUM.

TREASURY DEPARTMENT,
OFFICE INTERNAL REVENUE,
Washington, D. C., April 20, 1891.

The following regulations are issued pursuant to an act of Congress, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1892, approved March 3, 1891, which provides:

* * * "That any manufacturer of sugar from sorghum may remove from distillery warehouses to factories used solely for the manufacture of such sugar from sorghum distilled spirits in bond free of tax, to be used solely in such manufacture of sugar from sorghum; that all distilled spirits removed as herein authorized shall be of an alcoholic strength of not less than one hundred and sixty per centum proof, and may be removed, stored, and used in the manufacture of sugar from sorghum, and when so used may be recovered by redistillation in the sugar factory of such sugar manufacturer under such bonds, rules, and regulations for the protection of the revenue and the accomplishment of the purposes herein expressed as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury may prescribe.

Any person who removes or uses distilled spirits in violation of this provision, as [or] the regulations issued pursuant thereof, shall, on conviction thereof, be fined not less than one thousand dollars nor more than five thousand dollars for each offense, and the spirits and the premises on which such spirits are used shall be forfeited to the United States." * * *

PRELIMINARIES TO THE WITHDRAWAL OF DISTILLED SPIRITS FOR USE IN THE MANUFACTURE OF SUGAR FROM SORGHUM.

REGISTRY OF STILLS.

Section 3258 of the Revised Statutes of the United States provides that—

"Every person having in his possession or custody, or under his control, any still or distilling apparatus set up, shall register the same with the collector of the district in which it is, by subscribing and filing

with him duplicate statements, in writing, setting forth the particular place where such still or distilling-apparatus is set up, the kind of still and its cubic contents, the owner thereof, his place of residence, and the purpose for which said still or distilling-apparatus has been or is intended to be used; one of which statements shall be retained and preserved by the collector, and the other transmitted by him to the Commissioner of Internal Revenue. Stills and distilling-apparatus shall be registered immediately upon their being set up. Every still or distilling-apparatus not so registered, together with all personal property in the possession or custody, or under the control of such person, and found in the building, or in any yard or inclosure connected with the building in which the same may be set up, shall be forfeited. And every person having in his possession or custody, or under his control, any still or distilling-apparatus set up which is not so registered, shall pay a penalty of five hundred dollars, and shall be fined not less than one hundred dollars, nor more than one thousand dollars, and imprisoned for not less than one month, nor more than two years."

ARTICLE 1. Where distilled spirits are to be used in the manufacture of sugar from sorghum, and after being so used, are to be recovered by redistillation as authorized by the act of March 3, 1891, before quoted, all stills or distilling apparatus to be used in redistilling such spirits must be registered in accordance with the requirements of said section 3258 Revised Statutes, and Internal Revenue Regulations, series 7, No. 7, page 5.

In connection with the registry of stills to be so used, special attention is also called to section 3247, Revised Statutes, which declares that—

"Every person who produces distilled spirits, or who brews or makes mash, wort, or wash, fit for distillation or for the production of spirits, or who, by any process of evaporization, separates alcoholic spirit from any fermented substance, or who, making or keeping mash, wort, or wash, has also in his possession or use a still, shall be regarded as a distiller."

As the premises used for the manufacture of sugar can not, either under the revenue laws or the act of March 3, 1891, be used for carrying on the business of a distiller, it is obvious that no mash, wort, or wash fit for distillation can be lawfully used or kept on such premises where a still is used or stored.

STILL ROOM.

CONSTRUCTION AND ARRANGEMENT OF STILLS, CONDENSERS, RECEIVING CISTERNS, ETC.

ART. 2. All stills and condensers to be used in the recovery of spirits in the cases herein provided, and all receiving cisterns or tubs to be used for the temporary storage of spirits in the process of redistillation, must be located on the manufacturers' premises, and in a building or room to be used exclusively for that purpose.

The stills to be used in such cases will be so constructed as to admit

of their being locked in the absence of the officer assigned to the premises (article 11), and all spirits recovered by redistillation must be immediately conveyed from the still room to storage tanks, to be located in a separate building or room, as provided in article 5.

All pipes connecting such stills, condensers, and receiving vessels must be fixed and continuous pipes and must be exposed to view at all points. All branch pipes, stopcocks, joints, pumps or valve-chambers must also be exposed to view, and must be so constructed and located as will enable the officer to lock or seal the same. Where a pipe connection is to be made between a condenser and any vacuum pan or other evaporator used in the manufacture of sirup or sugar, the outlet pipe of every such condenser must be permanently connected with a cistern to receive the recovered spirits, *and must in no case extend more than one inch below the top of such cistern.*

ART. 3. All receiving cisterns for such spirits, whether located in the still room or in the storage room (article 5) must be so constructed as to leave an open space of at least 3 feet around the same and between the top of the roof or floor above, and a space of not less than 18 inches between the bottom and the floor below. The top of each cistern must be provided with a suitable cover, to be secured with a Government lock. The locks herein required to be used will be supplied to the collector upon requisition therefor, and when so specified seal locks will be used.

STORE ROOM.

ART. 4. The manufacturer will also provide a suitable room or building on his premises to be used solely for the storage and safe-keeping of all spirits received or recovered by redistillation on said premises.

The windows in such room or building will be provided with solid shutters, with secure iron fastenings, and where a room is provided in a building to be used for any purpose other than the storage of such spirits, such room must be separated from all other rooms in the building by a solid brick or plank partition, as in the case of distilling warehouses.

The store room so provided will be secured by a Governmont seal lock, and will remain in the joint custody of the manufacturer and the deputy collector-and-gauger (article 11), and must in no case be unlocked or remain open unless in the presence of that officer, or some person regularly designated to act in his absence and having the key to the Government lock.

STORAGE TANKS.

ART. 5. One or more receiving or storage tanks, of a sufficient capacity to hold all spirits that may be used or redistilled on the premises during a period of 48 hours, must be erected in the storeroom and arranged in accordance with instructions contained in articles 2 and 3.

These tanks will be numbered in consecutive order (commencing with No. 1) and if used in place of original packages for the storage of the spirits, the same will be provided with a spirit-gauge (*i. e.*, a substantial glass tube permanently attached to the outside and entering into the top and bottom of the tank) so that the quantity of spirits contained in the tank may be readily noted by the deputy collector-and-gauger.

Where the height of the tank requires it, two or more such gauges should be provided and so arranged that the level of the spirits at whatever point in the tank will be shown in at least one of said gauges.

ART. 6. There will also be attached to each of such tanks, and in close proximity to each spirit-gauge, a graduated scale divided into feet and inches, to be indicated thereon by cross-lines and figures. The figures representing the inches may run consecutively throughout the entire length of the scale, and the scale will be numbered so as to read from bottom to top.

A movable or sliding inch scale, divided into tenths, will also be provided, and should be adjustable at any point on the larger or fixed scale.

The last named scale should be carefully adjusted to the tank so that its lowest (0) point will be on a level with the bottom of the tank (inside measurement) or [in case the tank is slightly inclined forward to facilitate the drawing off of all the spirits therein] on a level with the bottom of the tank *at a point directly opposite to the gauge.* In such cases the space (wine-gallon measurement) below the (0) point of the gauge will be ascertained by pouring measured spirits, or other liquid, at a temperature as near 60° F. as possible, into the tank; and the quantity so required will in all cases be plainly marked on the scale-plate, below the zero point, and will be added to the quantity indicated by the gauge where the contents of the tank is to be determined.

Where two or more spirit-gauges are attached to any one tank, the scale above referred to should be fastened between such gauges.

ART. 7. Each tank to be used as above indicated must be of an uniform shape and diameter throughout its entire length (height) and the inside diameter thereof should in no case exceed 8 feet. For ascertaining the total capacity of each such tanks, as also the gallon capacity *per inch*, the following rule will be observed:

For tanks of a cylindrical shape:

(1) Ascertain the inside diameter and multiply the square thereof by the decimal .0034, which result will give the wine-gallon capacity *per inch.*

(2) Multiply the number of gallons, per inch, as above ascertained, by the height of the tank in inches (inside measurement) and the result will be the total capacity of the tank.

For rectangular tanks.

(1) Divide the area of the base, in square inches, by 231, and the result will be the gallon capacity of the tank *per inch.*

(2) Multiply the above result by the height of the tank in inches, as above noted, and the product will be the total gallon capacity of the tank.

ART. 8. The inside diameter and height, in inches, and the capacity in wine gallons must be plainly marked on each tank, as also the gallon capacity per inch. For example, a cylindrical tank of the dimensions and capacity below given will be marked as follows:

Tank No. —.

Diameter	inches..	76.7
Height	do...	108
Capacity per inch	galls..	20
Total capacity	do...	2160
If the tank is not placed in a perpendicular position (see art. 6) the following will also be marked on the tank:		
Capacity below gauge level	do...	(*)

The following table shows the capacity, per inch, of tanks of different diameters. Tanks of the diameter above given are, however, recommended in view of the fact that the capacity, per inch, of each such tanks will represent 20 whole gallons, a convenient number to use in making computations:

Table showing the correct inside dimensions of rectangular and cylindrical vessels to hold for each inch of height exact multiples of the United States wine gallon of 231 cubic inches.

Wine gallon contents.			Rectangular vessels, base square inches.	Cylindrical vessels, diameter of circle, inches.	Wine gallon contents.			Rectangular vessels, base square inches.	Cylindrical vessels, diameter of circle, inches.
Per inch of height.	Per foot of height.	Per 5 feet of height.			Per inch of height.	Per foot of height.	Per 5 feet of height.		
0.5	6	30	115.5	12.13	17.0	204	1,020	3,927.0	70.71
1.0	12	60	231.0	17.15	17.5	210	1,050	4,042.5	71.74
1.5	18	90	346.5	21.00	18.0	216	1,080	4,158.0	72.76
2.0	24	120	462.0	24.25	18.5	222	1,110	4,273.5	73.76
2.5	30	150	577.5	27.12	19.0	228	1,140	4,389.0	74.75
3.0	36	180	693.0	29.71	19.5	234	1,170	4,504.5	75.73
3.5	42	210	808.5	32.08	20.0	240	1,200	4,620.0	76.70
4.0	48	240	924.0	34.30	20.5	246	1,230	4,735.5	77.65
4.5	54	270	1,039.5	36.38	21.0	252	1,260	4,851.0	78.59
5.0	60	300	1,155.0	38.35	21.5	258	1,290	4,966.5	79.52
5.5	66	330	1,270.5	40.22	22.0	264	1,320	5,082.0	80.44
6.0	72	360	1,386.0	42.01	22.5	270	1,350	5,197.5	81.35
6.5	78	390	1,501.5	43.72	23.0	276	1,380	5,313.0	82.25
7.0	84	420	1,617.0	45.37	23.5	282	1,410	5,428.5	83.14
7.5	90	450	1,732.5	46.97	24.0	288	1,440	5,544.0	84.02
8.0	96	480	1,848.0	48.51	24.5	294	1,470	5,659.5	84.89
8.5	102	510	1,963.5	50.00	25.0	300	1,500	5,775.0	85.75
9.0	108	540	2,079.0	51.45	25.5	306	1,530	5,890.5	86.60
9.5	114	570	2,194.5	52.86	26.0	312	1,560	6,006.0	87.45
10.0	120	600	2,310.0	54.23	26.5	318	1,590	6,121.5	88.28
10.5	126	630	2,425.5	55.57	27.0	324	1,620	6,237.0	89.11
11.0	132	660	2,541.0	56.88	27.5	330	1,650	6,352.5	89.94
11.5	138	690	2,656.5	58.16	28.0	336	1,680	6,468.0	90.75
12.0	144	720	2,772.0	59.41	28.5	342	1,710	6,583.5	91.56
12.5	150	750	2,887.5	60.63	29.0	348	1,740	6,699.0	92.36
13.0	156	780	3,003.0	61.84	29.5	354	1,770	6,814.5	93.15
13.5	162	810	3,118.5	63.01	30.0	360	1,800	6,930.0	93.93
14.0	168	840	3,234.0	64.02	30.5	366	1,830	7,045.5	94.71
14.5	174	870	3,349.5	65.30	31.0	372	1,860	7,161.0	95.49
15.0	180	900	3,465.0	66.42	31.5	378	1,890	7,276.5	96.25
15.5	186	930	3,580.5	67.52	32.0	384	1,920	7,392.0	97.01
16.0	192	960	3,696.0	68.60	32.5	390	1,950	7,507.5	97.77
16.5	198	990	3,811.5	69.66	33.0	396	1,980	7,623.0	8.529

* Here state exact quantity.

ART. 9. In ascertaining the quantity of spirits contained in a tank in such cases, the gauger will (after having verified the marks and scale affixed to the tank) multiply the number of gallons per inch, so marked, by the height of the spirits, in inches and tenths, as shown by the spirit-gauge. For example:

Height of spirits in gauge (inches)		77.4
Number gallons per inch (as above noted)		20.
Multiplied =	galls	1548.
Plus spirits below gauge level	do	10.
Total	do	1558.

If the tank is of uniform shape and size the result above given will be approximately correct.

Where the accuracy of the above measurement is questioned, the spirits should be drawn from the tank into packages and carefully regauged.

ART. 10. The storage tanks above referred to may be provided with a pipe leading to the mixing tanks containing the sirup to be treated with spirits in the manufacture of sugar; but each pipe so used must be provided with two stopcocks, one to be located inside of the storage room and one at or near the outlet of the pipe. Each of such stopcocks must be provided with a Government lock, and will be kept securely locked by the deputy collector-and-gauger except at such time as the spirits are being conveyed to and into the mixing tanks under his immediate personal supervision.

The deputy collector-and-gauger is particularly cautioned against leaving the outlet cock open or unlocked in his absence, and he will see that such stopcock is securely locked, and that the spirits so used are thoroughly mixed with the sirup before returning to the storeroom to shut off the flow of spirits at that point.

ASSIGNMENT OF DEPUTY COLLECTOR-AND-GAUGER.

ART. 11. Upon receipt of notice of the issuing of a permit for the withdrawal of spirits to be used on the manufacturers' premises (article 29) the collector will assign to the premises a deputy collector, who for the purposes herein named will be designated to act as gauger without additional compensation, and whose general duties while under such assignment will be similar to those of a storekeeper-and-gauger assigned to distilleries.

The officer so assigned to duty must be in daily attendance at the factory while in operation, and he will supervise the use and redistillation of all spirits on the premises. In case the factory is to be operated and spirits are to be used or redistilled at night, the collector will, on notice thereof (article 31), assign to the premises an additional officer for duty at such times. (For special instructions as to duties of deputy collector-and-gauger see article 33.)

MANUFACTURER TO FILE NOTICE AND TO GIVE BOND.

ART. 12. After having complied with the foregoing regulations, and before applying for the spirits, to be used on his premises, the manufacturer will file with the collector of the district the following notice and bond, together with a plan and elevation of the premises (to be drawn on a scale of one-fourth or one-eighth inch to the foot on good paper or tracing linen 15 by 20 inches), showing the size and location of all buildings on the premises and the purpose for which each will be used, and the size and location of all stills, evaporating pans, condensers, tanks and other receiving vessels, and all pipe connections between the same.

ART. 13. The notice will be in the following form:

(Form 302.)

Manufacturers' notice.

[Spirits to be used in the manufacture of sugar from sorghum.]

Notice is hereby given that we, ——— ———, under the name and style of ——— ———, are engaged [or intend to engage] in the business of manufacturing sugar from sorghum on the following described premises, and that application will hereafter be made under the provisions of an act of Congress approved March 3, 1891, for distilled spirits, free of tax, to be used on said premises solely in the manufacture of said sugar.

Description of premises, etc.

(1) Location and description of premises,* ———.
(2) Name and residence of owner of premises,† ———.
(3) Name and residence of all persons having liens on said premises, and nature and amount of all such liens, ———.
(4) Description of all buildings on premises and purpose for which each is to be used, ———.
(5) Particular description of building or room to be used exclusively for the storage of spirits (article 4), ———.
(6) Number and capacity, in wine gallons, of each receiving cistern or tank in storeroom (article 8), ———.
(7) Number of tanks to be used in mixing sirup and spirits, and capacity of each in gallons, ———.
(8) Number and kind of evaporating pans, and size of each, ———.
(9) Number and kind of stills, and capacity of each, ———.
(10) Number and kind of condensers, ———.
(11) Number of receiving cisterns in still room, and capacity of each, ———.
(12) Daily capacity of factory: Sirup, —— gallons; sugar, —— pounds.
(13) Estimated daily quantity of spirits to be used in treating sirup, —— wine gallons.
(14) Estimated time required for recovery of spirits from time spirits are added to sirup, —— hours.
(15) Estimated period during which factory will be operated during ensuing season ——. From ———, 189—, to ———, 189—.
(16) Estimated quantity of sugar and finished sirup that will be produced on premises during period above named: Sugar, —— pounds; molasses; —— gallons.
(17) Name and residence of every person interested or to be interested in the business to be carried on at said premises during the period above named, ———.

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* Here give name of town or city, county and State, and metes and bounds.
†In case premises are not owned by manufacturer, consent of owner will be required. (See article 15).

STATE OF ———,
County of ———, *ss:*

Personally appeared the above-named ——— ———, who, being first duly sworn, depose- and say- that the statements contained in the foregoing notice are true; that all distilled spirits *now stored,* * or which may hereafter be received on the above-described premises, are intended and will be used for the purpose specified in said notice and for no other purpose; that no other business than that specified in said notice will be carried on at said premises during the time the said spirits, or any portion thereof, are used or stored on said premises, and that the said premises are not within 600 feet in a direct line of any premises where distilled spirits or fermented liquors are manufactured, rectified, or sold, or used in the manufacture of any article whatever.

——— ———†
——— ———†
——— ———†

Sworn and subscribed to before me this —— day of ———, 189—.
——— ———. [SEAL.]

ART. 14. The foregoing notice must in all cases be sworn to before a collector, a deputy collector, or some officer authorized to administer oaths and having a seal, and should be filed with the collector at least 30 days before application is made for the withdrawal of the spirits to be used for the purpose named in the notice. (For form of application see article 20.)

ART. 15. The notice above required will in no case be approved by the collector unless the manufacturer filing the same is the owner in fee, unincumbered by any mortgage, judgment, or other lien, of the lot or tract of land described in the notice, or unless he files with the collector the written consent of the owner of the fee and of any mortgagee, judgment creditor, or other person having a lien thereon, duly acknowledged, that the premises may be used for the purpose specified in said notice, subject to all provisions of law and regulations, and expressly stipulating that in case of the forfeiture of the premises, or of any part thereof, the title of the same shall vest in the United States, discharged from such mortgage, judgment, or other incumbrance. The consent in such cases must be duly acknowledged and executed with all the formalities required in conveyances of real estate, and in case of consent of the owner of the fee, the wife must join in the execution and due acknowledgment so as to release her claim to dower. The consent in either of the cases provided for must be duly recorded before the same is filed with the collector.

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* To be retained in case of renewal notice, art 16.

† In case of a firm or company (not incorporated) the notice must be signed and sworn to by each member. In case of an incorporated company the notice will be signed and sworn to by a duly authorized officer of the company.

RENEWAL NOTICES.

ART. 16. A renewal notice will be required of each manufacturer:

(1) On the 1st day of July in each year, except where an original notice has been filed within 30 days prior to that date.

(2) In case of change in the ownership of the premises described in the original notice or in the firm occupying the premises.

(3) In case of any material change in the producing capacity of the factory, or in the construction or arrangement of any still or condenser on the premises, and at such other times as may be required by the Commissioner of Internal Revenue, or the collector of the district.

ART. 17.—

(FORM 303.)

Manufacturer's bond.

[Distilled spirits to be used in the manufacture of sugar from sorghum.]

No. —.

Know all men by these presents, that we, ——— ———, as principal–, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals at ———, this —— day of ———, 189—.

Whereas the above bounden principal– intend– to engage in the business of manufacturing sugar from sorghum on the factory premises owned or occupied by ———,* and located at ———, county of ——— and State of ———, and intend– to use in the manufacture of said sugar distilled spirits [withdrawn or†] to be hereafter withdrawn from distillery warehouse, free of tax, under the provisions of an act of Congress approved March 3, 1891.

Now, therefore, the condition of this obligation is such that if the said principal shall as to all spirits so withdrawn from distillery warehouse safely transport the same to the said factory premises, or cause the same to be so transported, and within 30 days from the date of each such withdrawal, and shall pay, or cause to be paid, unto the collector of internal revenue for the —— district of ——— the full amount of tax on the spirits so withdrawn and not so delivered on said factory premises; and if the said principal shall use the said premises solely for the manufacture of sugar from sorghum, and shall as to all spirits received on said premises safely store the same thereon, and shall faithfully comply with all requirements of said act of Congress and regulations issued pursuant to said act respecting the storage, use, and redistillation of said spirits and the accounting therefor, and as to the registry, construction, and use of all stills, condensers, receiving cisterns, or tanks to be used on said premises; and if the said principal shall likewise pay, or cause to be paid, to the said collector the tax on all spirits remaining on said factory premises on the discontinuance of said business of manufacturing sugar from sorghum, or which, in the

* Him or them.

† To be stricken out in case of an original bond.

opinion of the Commissioner, may be in excess of the quantity required in the carrying on of said business, then this obligation to be void; otherwise to remain in full force and virtue.

And the obligors for themselves, their heirs, executors, and administrators, do further covenant and agree with the United States in case the said principal, his agents or employés, shall use or remove from the aforesaid factory premises, or permit to be used or removed, any distilled spirits otherwise than as authorized by the aforementioned act and regulations, or shall fail or neglect to do or cause to be done any of the acts or things hereinbefore specified, or required by said act and regulations, well and truly pay or cause to be paid to the collector aforesaid, double the amount of tax on the spirits so used or removed or as to which such neglect or failure occurs.

——— ——— [L. S.]
——— ——— [L. S.]
——— ——— [L. S.]

In preparing the bond the following instructions must be particularly observed and complied with, viz:

(1) The Christian names must be written in the body of the bond in full, and so signed to the bond, and the execution of the bond must be duly acknowledged by each of the signers before the collector or deputy collector, or an officer authorized to take the acknowledgment of deeds. When a bond is signed by an officer of a corporation, the seal of the corporation must be affixed, and evidence of the authority of the officer to sign and to affix the seal filed with the collector and Commissioner of Internal Revenue.

(2) The residence of each signer must be stated in the bond.

(3) A seal of wax or wafer must be attached to each signature.

(4) Each signature must be made in the presence of two witnesses, who must sign their names as such.

(5) The bond must be dated, and there must be at least two sureties.

(6) The sufficiency of the sureties should be shown by affidavits made on Form 33.

(7) The penal sum of the foregoing bond must at least equal double the amount of tax on the quantity of spirits to be stored on the manufacturer's premises at any one time, and in no case be less than $5,000.

RENEWAL BOND.

ART. 18. A renewal bond will be required upon the renewal of the manufacturer's notice, as provided in article 16, and in case of death, insolvency, or removal of the sureties, and at such other times as the Commissioner of Internal Revenue may direct.

MANUFACTURER'S PREMISES TO BE INSPECTED BEFORE APPROVAL OF HIS BOND.

ART. 19. Upon the receipt of the foregoing notice and bond the collector will carefully investigate the statements contained in the notice and as to the sufficiency and responsibility of the offered sureties.

He will also have the manufacturer's premises inspected by a deputy collector, who will see that all regulations have been strictly complied with respecting the registry of stills and the construction and arrangement of the storage room and all stills, condensers, receiving cisterns, and tanks to be used on the premises. The deputy will make report of his inspection in writing to the collector, who will, if satisfied therewith, and with the notice and bond, indorse his approval on each of the papers and forward the same to the Commissioner of Internal Revenue for review and acceptance.

WITHDRAWAL OF DISTILLED SPIRITS FROM DISTILLERY WAREHOUSE.

ART. 20. Upon the acceptance of the notice and bond by the Commissioner, the manufacturer will be advised thereof, and application in the following form may thereupon be made for the spirits referred to in the notice, not exceeding, however, double the quantity that may be used at the factory during a period of 72 hours, as estimated in said notice:

(FORM 304.)

Application for distilled spirits.

[Spirits to be used in the manufacture of sugar from sorghum.]

———, ——, 189–.

To the COMMISSIONER OF INTERNAL REVENUE:

The undersigned, manufacturer– of sugar from sorghum at his [or their] factory located at ———, and more particularly described in his [or their] notice dated ———, ——, 189–, hereby make application under the provisions of an act of Congress approved March 3, 1891, for withdrawal from distillery warehouse of ——— ———, in the —— collection district of ———, the following-described distilled spirits, to be used solely in the manufacture of sugar from sorghum on said factory premises:

Serial numbers, packages.	Serial numbers, warehouse stamps.	Wine gallons.	Degrees of proof.*	Proof gallons.	Tax gallons.

* Under the act above named the spirits to be so withdrawn must in no case be less than 160 degrees proof.

——— ———.

ART. 21. The foregoing application should be filed with the collector of the district where the factory is located, and, after being recorded in his office and approved by him, will be forwarded to the Commissioner of Internal Revenue.

PERMITS.

ART. 22. Upon receipt of the foregoing application, duly executed and approved, a permit in duplicate will be issued in the following form, the original of which will be forwarded to the applicant and the duplicate sent to the collector of the district in which the distillery warehouse is located. The receipt printed on the back of both the original and duplicate must in all cases be signed by the manufacturer or his agent before the withdrawal of the spirits from warehouse. (See article 27.)

(FORM No. 305.)

Permit for the withdrawal from distillery warehouses free of tax of distilled spirits to be used in the manufacture of sugar from sorghum.

No. —.

TREASURY DEPARTMENT,
OFFICE INTERNAL REVENUE,
Washington, D. C., ——— ———, 189—.

To ——— ———, Esq.,
Collector, —— *District of* ——— :

SIR: Pursuant to an act of Congress, approved March 3, 1891, permission is hereby given ——— ——— to withdraw from distillery warehouse No. —, of ———, in your district, free of tax, —— proof gallons of distilled spirits, to be used solely in the manufacture of sugar from sorghum at the factory premises belonging to or occupied by the said ——— ———, manufacturer, and located at ———, in the —— district of ———, to wit:

Serial numbers, packages.	Serial numbers, warehouse stamps.	Wine gallons.	Degrees of proof.	Proof gallons.	Tax gallons.

——— ———,
Commissioner.

ART. 23. The original permit so issued will be presented by the manufacturer, or his duly authorized agent, to the storekeeper in charge of the distillery warehouse, and the spirits delivered thereon must be at once transported to the manufacturer's premises.

SPIRITS TO BE INSPECTED AND REGAUGED BEFORE WITHDRAWAL.

ART. 24. On receipt of the duplicate permit the collector will issue the following order for the inspection and regauge of the spirits to be withdrawn:

Part 1.] (FORM No. 306.)

Collector's order to gauger.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
——*District* ——, ——, 189—.

SIR: You will proceed to distillery warehouse No. ——, of ——, at ——, and there inspect and gauge according to law and regulations the spirits contained in packages serial Nos. ——, —— to be withdrawn free of tax for use in the manufacture of sugar from sorghum under the provisions of an act of Congress approved March 3, 1891, and a permit issued pursuant to said act. You will mark upon each package so regauged the number of wine gallons and proof gallons therein contained, and you will make report of your gauging on the certificate below, and sign and deliver the same to the applicant.

——— ———,
Collector.

To ——— ———,
Gauger.

ART. 25. Upon the receipt of the foregoing order, the gauger will at once proceed to the warehouse therein designated, and there carefully and thoroughly inspect each package, ascertaining the actual wantage, proof, and contents, without reference to the marks on the casks.

The return of the gauger will be in the form following:

Part 2.] (FORM No. 306.)

Report of Gauger.

I hereby certify that, pursuant to the above order, the following-described spirits, produced and deposited in distillery warehouse No. ——, by ——, on the —— day of ——, 18—, have been inspected and gauged by me this —— day of ——, 189—, and contents and loss found to be as follows, viz:

Contents when deposited in warehouse.								Contents as per regauge.*			
No. of packages.	Marks.	Serial numbers of packages.	Serial numbers, warehouse stamps.	Wine gallons.	Proof gallons.	Taxable gallons.	Amount of tax.	Wine gallons.	Proof gallons.	Taxable. gallons.	Amount of tax.
	Total withdrawn			000	000 00	000	000 00				
	Actually lost			000	000 00	000	000 00			000	000 00
	Loss allowed.....			000	000 00	000	000 00	000	000 00		
	Deficiency paid.....			000	000 00	000	000 00	000	000 00		
Total ..	.....										

To ——— ———,
Collector.

——— ———,
United States Gauger.

* NOTE.—If any portion of the spirits have already been regauged upon a notice and request of the owner, the report of such regauge will be adopted by the gauger, unless a regauge is advisable, to ascertain losses in addition to those ascertained under the first request. The tax must be paid upon such additional losses, as none can be allowed under section 17, act May 28, 1880, beyond those allowable under the regauge made pursuant to the first notice and request.

A detailed statement, in duplicate, on Form 59, will be prepared by the gauger, one of which he will mail to the Commissioner of Internal Revenue "for review," and the other he will append to one copy of the foregoing report to be delivered to the collector.

ART. 26. Before removal of the spirits from the warehouse, the gauger will cut with a die or burn upon each cask under the name of the distiller and the district, the date of withdrawal, the number of proof gallons ascertained upon regauge, the purpose for which the spirits are withdrawn, and number of the permit under which the withdrawal is to be made.

The additional brands here required may be abridged as follows:

Withd. Sept. 1, 1891.

For sorgh. sug. man'f'g permit No. —.

P. G. 70.

The letters and figures, branded or cut as above specified, are to be in no case less than half an inch in length.

When the spirits are withdrawn, the gauger will deliver a report to the storekeeper on Form 205, to be transmitted with Form 86 to the Commissioner of Internal Revenue, as provided in article 28.

ART. 27. On receipt of the report of the gauger, and on payment of the tax due on any deficiency ascertained in excess of the allowance authorized by sec. 17, act of May 28, 1880, the collector will issue the following order to the storekeeper and will attach thereto the duplicate permit in his possession.

Part 3.] (FORM NO. 306.)

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District of the State of* ———, ——, 189—.

To ——— ———, *Storekeeper:*

The within-described spirits having been regauged for withdrawal from warehouse free of tax under the provision of an act of Congress, approved March 3, 1891, and a permit, No. —, issued pursuant to said act, you are hereby authorized to deliver the said spirits to the person named in said permit, or his agent, on the surrender to you of the original permit, with the receipt thereto annexed duly signed, and upon the signing by him of the receipt annexed to the duplicate permit hereto appended for that purpose.

——— ———,
Collector.

ART. 28. The storekeeper, on delivering the spirits as above authorized, will indorse upon both the original and duplicate permit, and also on the collector's order (Form 306, Part 3) the following:

Delivered the within-named packages, containing —— taxable gallons as per regauge, to ——— ———, this —— day of ———, 189—.

——— ———,
Storekeeper.

The papers thus indorsed will be at once forwarded to the collector, and the spirits so withdrawn will be reported by the storekeeper on Forms 86 and 87, in red ink, as "withdrawn free of tax for use in the manufacture of sugar from sorghum under permit No. —."

The report of the gauger on Form 205 (article 26) will be forwarded by the storekeeper to the Commissioner of Internal Revenue with the Form 86 on which the withdrawal of the spirits is noted.

ART. 29. The spirits withdrawn as above provided will be reported by the collector on line 9, first page of his bonded account, Form 94*a*, and on an inside page under an appropriate heading, and the *original* permit under which the withdrawal was made will be forwarded with said account as a voucher.

In case the spirits are to be used in a district other than the one in which they were withdrawn from warehouse, the *duplicate* permit will be at once forwarded to the collector of that district, to be used by him as hereafter provided.

ARRIVAL, STORAGE, AND USE OF SPIRITS ON MANUFACTURERS' PREMISES.

ART. 30. Upon the receipt of the duplicate permit the collector in whose district the factory is located will notify the deputy collector-and-gauger assigned to the factory of the fact, and on the arrival of the spirits the same will be at once placed in the manufacturers' storeroom provided for that purpose.

The deputy collector-and-gauger will thereupon regauge the spirits and carefully note, as to each package, any deficiency between the quantity received on the premises and the quantity withdrawn from the distillery warehouse as shown by the marks and brands on the packages. Upon the removal of the spirits from the packages, the officer will also see that all marks, brands, and stamps on such packages are effaced and obliterated as required by section 3324, R. S. (For loss of spirits during transportation or while stored in manufacturers' premises, see article 34.)

ART. 31. After the spirits received on the factory premises have been gauged and stored as above prescribed, the manufacturer may remove the spirits from his storeroom and use the same in the process of manufacturing sugar on his premises, at such times and in such quantities as he may desire; subject, however, to the requirements of law and the following additional regulations:

(1) The removal of the spirits from the storeroom, whether in original packages or by pipe line (Article 10) must be under the immediate supervision of the deputy collector-and-gauger, and the spirits so removed must in no instance exceed the quantity actually needed in treating the sirups on hand at the time such removal is made.

(2) The spirits so removed must be at once added to the sirup and thoroughly incorporated therewith and in the presence of the officer named.

(3) Each lot of spirits so removed must be used and recovered by redistillation in the order in which it is removed, and the recovery thereof, including redistillation, must be completed within 72 hours (excluding Sundays, § 7) from the time the spirits were added to the sirup. If, however, a portion of the sirup should be recovered by one process and the remaining portion by another and slower process, rendering it impossible to redistill all the alcohol added to a given lot of sirup at one time, the two portions should be reported separately.

(4) All spirits so recovered must be returned to the storeroom as soon as the redistillation thereof is completed. (For regulations respecting deficiencies between the quantity of spirits used in the manufacture of sugar and the quantity recovered by redistillation, see articles 36 to 40.)

(5) All tanks or other vessels used for mixing or treating sirups with the spirits must be closed and secured by a Government lock during the absence of the deputy collector-and-gauger.

(6) No still or other vaporizing vessel to which a condenser or worm is attached must be used in the absence of the deputy collector-and-gauger. Where the manufacturer intends to operate his factory during the night time notice thereof should be given the collector of the district in order that an additional officer may be assigned to the premises during the time the factory is so operated.

(7) No business requiring the presence of a deputy collector-and-guager shall be carried on at the factory during Sundays.

(8) A daily record must be kept by the manufacturer, showing the quantity of spirits (in wine and proof gallons) received on the premises, the quantity removed from the storeroom and used in the treatment of sirups, and the quantity recovered by redistillation as to each lot so removed. The record should also show the quantity of sirup to which the spirits have been added, and the quantity of sugar and the quantity of finished sirup or molasses produced each day.

(9) In addition to the record above prescribed a monthly statement in duplicate (to be made on the first day of the succeeding month or within 5 days thereafter) must be made by the manufacturer and in the following form—one copy of which will be forwarded to the collector, and one copy transmitted to the Commissioner of Internal Revenue:

ART. 32.— (FORM 307.)

Manufacturer's statement.

Statement of distilled spirits received, used, and redistilled on factory premises of ——— ——— in the —— district of ———, for or in the process of manufacturing sugar from sorghum during the month of ——— ——, 189—.

Date.	Received on premises.	Removed from storeroom.	Used in treatment of sirups.	Recovered by redistillation.	Returned to storeroom.	Not accounted for.	
	*Gallons.**	*Gallons.**	*Gallons.**	*Gallons.**	*Gallons.**	*Gallons.**	*Per cent.*

* Proof gallons.

Statement of quantity of sirup manufactured and used, and quantity of sugar produced at said factory, during the month above named:

Date.	Sirups manufactured.	Sirups to which spirits were added.	Quantity of sugar produced.	Quantity of finished sirups or molasses produced.
	Gallons.	*Gallons.*	*Pounds.*	*Gallons.*

Sworn and subscribed to before me this —— day of ——— 189—.
——— ——— [SEAL.]

ADDITIONAL DUTIES OF DEPUTY COLLECTOR-AND-GAUGER.

ART. 33. In addition to the duties hereinbefore prescribed, the deputy collector-and-gauger will be required:

(1) To gauge and report all spirits removed from the storeroom each day. In case the spirits are conveyed from the storage room to the factory by pipe line, as provided in Article 10, the officer will carefully note the proof of such spirits, and the quantity so removed as shown by the spirit-gauge (Article 6). In the case last referred to the spirits will be tested from time to time as they flow from the outlet pipe, and in case any variation is noted, the gauger will average the proof thereof according to the number of samples taken, and report that average as the proof of the entire quantity of spirits so removed during that time.

(2) To personally supervise the mixing of all spirits with the sirup used in the manufacture of sugar, and to permit the use of the spirits for no other purpose whatever. (See also Article 10, in case spirits so used are conveyed to mixing tanks by pipe line.)

(3) To see that all tanks or other vessels containing the sirups and spirits so mixed are closed and locked, unless the treatment of the sirups in such cases is completed in his presence. The officer will also take one or more samples of the sirup after the spirits have been added, and also after the spirits have been removed therefrom, and all such samples will be labeled or numbered for identification as provided in article 39.

(4) To supervise the redistillation of the spirits so used, to see that all regulations respecting the spirits are strictly compiled with, and that the spirits, when the redistillation thereof is completed, are at once returned to the storeroom.

(5) To reguage or measure each lot of spirits so returned to the storeroom, and to note the quantity and proof of the same, either in case the spirits are to be stored in original packages or left in the storage tanks.

(6) To make daily return to the collector and to the Commissioner of Internal Revenue of all spirits received, used, and redistilled on the

premises, and to note on said return any irregularity on the part of the manufacturer or his employés in connection with the use of the spirits or the accounting thereof.

The deputy collector-and-gauger will be supplied with blank forms on which to make such returns, as also a monthly return, to be designated, respectively, as Form 308 and 309.

DEFICIENCIES.

LOSS OF SPIRITS IN TRANSIT TO OR WHILE STORED ON THE MANUFACTURER'S PREMISES.

ART. 34. As the act under which distilled spirits may be obtained in the cases herein provided for exempts from tax only such spirits as are removed from distillery warehouses and used "*solely in the manufacture of sugar from sorghum*," no allowance can be made on account of losses occurring during the transportation of the spirits from the distillery to the manufacturer's premises, or while stored on said premises. The tax on all such deficiencies or losses must therefore be paid without delay to the collector with whom the manufacturer's bond (conditioned for the safe transportation and storage of the spirits) has been filed.

The amount so paid will be reported by the collector on Form 58; and in case of nonpayment the collector will report the case to the Commissioner of Internal Revenue for instructions before resorting to the manufacturer's bond.

ART. 35. In view of the absence of any provision for allowance, or abatement of tax, in the cases above referred to, it is suggested that manufacturers indemnify themselves against loss by fire or accident in such cases by insurance, including the Government tax, which, as held by the Supreme Court of the United States (Ins. Co. *vs.* Thompson *et al.*, 5 Otto, 547), is an insurable interest.

LOSS OF SPIRITS USED IN THE PROCESS OF MANUFACTURING SUGAR FROM SORGHUM.

ART. 36. In authorizing the use and redistillation of spirits in the manufacture of sugar from sorghum, it is evidently the purpose of the law to exempt from tax only such spirits as are actually so used and not subsequently recovered or used for any other purpose.

Where the spirits so used are lost by free evaporation, or from other causes incident to the process employed in the manufacture of the sugar, no tax liability will be held to accrue on such spirits, even where the loss appears excessive, provided proof of actual use and loss of the spirits is furnished to the satisfaction of the Commissioner of Internal Revenue. No spirits, however, will be regarded as lost in the process of manufacturing sugar which remain incorporated with any sirup, or the product or residuum of such sirup, and recoverable by redistillation.

ART. 37. It has been demonstrated by actual experiment that at least 95 per cent. of the spirits so used may be recovered by redistillation, and this percentage will, until further notice, be taken as a basis in determining whether the difference between the quantity of spirits used and the quantity recovered in such cases is excessive. In case of excessive loss, the additional proof required will embrace the sworn statements of the manufacturer and at least three of his employés having knowledge of the facts, setting forth the quantity of spirits used and the quantity recovered in each such case; the process employed in recovering the spirits and in the manufacture of sugar from the sirups to which the spirits had been added; that all spirits so used and recovered have been truly accounted for, and that due efforts have been made to recover the largest obtainable quantity of spirits from all sirups, mixtures, or substances containing the spirits so used.

ART. 38. The application and proof in the cases above provided, together with a special report of the deputy collector-and-gauger under whose supervision the spirits were used, will be forwarded to the collector, who, after having investigated the matter, will indorse his recommendation on the papers and forward the same to the Commissioner of Internal Revenue.

ART. 39. Where the discrepancy between the quantity of spirits used and the quantity recovered exceeds 10 per cent. of the quantity used, the deputy collector-and-gauger will forward to the Commissioner of Internal Revenue samples of the sirup obtained by him (before and after redistillation) as required in article 33.

The samples so furnished will be in sealed bottles or cans, containing one pint each, and must be labeled as follows and numbered in the order in which they are forwarded. Samples of *each lot* of sirup will, however, bear the same serial number:

SAMPLE NO. —.

Sorghum sirup [A or B].*

FACTORY OF ——— ———,
——— *District of* ———.

Sample taken ——— ——, 189—, by ——— ———, deputy collector-and gauger.

ART. 40. If the proof and samples submitted in the cases above referred to are satisfactory, the Commissioner of Internal Revenue will direct the collector to credit the manufacturer's bond with the full quantity of spirits covered by the claim, or so much thereof as seems equitable.

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* "A," samples containing spirits *before* redistillation; "B," samples containing spirits *after* redistillation.

PAYMENT OF TAX ON SPIRITS REMAINING ON MANUFACTURER'S PREMISES ON DISCONTINUANCE OF BUSINESS, ETC.

ART. 41. Where a manufacturer intends to discontinue the business of manufacturing sugar from sorghum on the premises described in his notice (Form 302), notice thereof should be given the collector of the district, who will thereupon cause all distilled spirits remaining on the premises to be recasked, gauged, and properly branded.

The packages containing such spirits will be numbered in consecutive order, commencing with No. 1, and the deputy collector-and-gauger will mark or brand on each such package the date on which the spirits were recasked, the manufacturer's name and district, and the contents in wine and proof gallons.

The marks and brands on the packages will be arranged as follows:

No. ——.

Recasked ——— ———, 189—.
Sorgh. Sug. Factory of ——— ———, —— Dist. of ———.
W. G. ———, P. G. ———.
———— ————,
Depty. Collr. and Gr.

ART. 42. After the spirits have been so marked and branded, the manufacturer will at once obtain from the collector of the district the necessary tax-paid stamps to be affixed to the packages. Each stamp to be so issued will be dated and signed by the collector, and will show the serial number and contents of the package to which it is to be affixed. The collector will also write across the face of each such stamp the words:

Issued pursuant to Article 42,
Supplement No. 1, Regulations
Series 7, No. 7, Revised.

ART. 43. The stamps so issued will be at once affixed to the packages by the deputy collector-and-gauger, who will thereupon deliver the spirits to the manufacturer. All spirits remaining on the manufacturer's premises after the discontinuance of business, and not marked and stamped as herein required, will be liable to forfeiture under section 3289, Revised Statutes.

BONDED ACCOUNT.

ART. 44. As the liability of a manufacturer of sugar from sorghum under his bond (Form 303) involves the accounting for all distilled spirits received, used, or redistilled on his factory premises, an account will be kept with each such manufacturer, and a monthly statement thereof will be furnished to the Commissioner of Internal Revenue by the collector of the district.

ART. 45. The account to be so kept and rendered will be charged with

the full quantity of spirits withdrawn from distillery warehouse by each manufacturer, as shown by the duplicate permit received by the collector (Article 29), and will be credited with—

(1) The quantity of spirits lost in transit from distillery to manufacturer's premises, *tax paid.* (Article 34.)

(2) The quantity used in the manufacture of sugar and not recovered by redistillation, or other process. (Subject to limitations in Articles 36 to 39.)

(3) The quantity so used and not accounted for, *tax paid.*

(4) The quantity lost while on the manufacturer's premises, *tax paid.* (Article 34.)

(5) The quantity tax paid and removed from the manufacturer's premises on discontinuance of business. (Articles 41 to 43.)

The account will also show the quantity of spirits redistilled and reused on the manufacturer's premises during the month for which the account is rendered.

ART. 46. The account to be rendered in such cases will be designated as form 310, blank form of which, as also blank forms 302 to 309 inclusive, hereinbefore prescribed, will be furnished to collectors on requisition therefor.

ART. 47. The foregoing regulations will take effect on and after July 15th, 1891.

JOHN W. MASON,
Commissioner.

Approved.

CHARLES FOSTER,
Secretary.

Series 7, No. 7, Revised.—Supplement No. 2, Revised.

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

RECTIFIERS AND WHOLESALE LIQUOR DEALERS' NOTICES, RETURNS AND PACKAGES, ETC.,

UNDER THE

ACT OF JULY 16, 1892.

SEPTEMBER 29, 1892.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1892.

55277

(SERIES 7, NO. 7, REVISED.—SUPPLEMENT NO. 2, REVISED.)

REGULATIONS

CONCERNING

RECTIFIERS AND WHOLESALE LIQUOR DEALERS' NOTICES, RETURNS AND PACKAGES, ETC., UNDER THE ACT OF JULY 16, 1892.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, D. C., September 29, 1892.

EXTRACTS FROM THE LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION ACT OF JULY 16, 1892.

By the "act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-three, and for other purposes," approved July 16, 1892, it is provided, among other things, as follows:

That section eight of an act entitled "An act to amend the laws relating to internal revenue," approved March first, eighteen hundred and seventy-nine, be amended by striking out all after said number and substituting the following:

"When any rectifier intends to rectify or compound any distilled spirits he shall, before emptying any package of distilled spirits for that purpose, give notice in duplicate to the collector of internal revenue for the district of his intention so to rectify, and submit such package for the inspection of a United States gauger, who shall duly weigh or gauge such package and its contents and make due return thereof, and such spirits shall not be emptied for rectification, nor rectified or compounded in the package, until gauged or weighed as herein above provided. And such notice and return shall be made in such form and contain such particulars as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe."

That section thirty-three hundred and twenty of the Revised Statutes of the United States be amended by striking out all after said number and substituting the following:

"Whenever any cask or package of rectified spirits containing five wine gallons or more is filled for shipment, sale, or delivery, on the

premises of any rectifier who has paid the special tax required by law, it shall be marked, branded, and stamped by the rectifier in such manner and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe."

That section thirty-three hundred and twenty-three of the Revised Statutes of the United States be amended by striking out all after said number and substituting the following:

"Every package of distilled spirits containing five wine gallons or more, filled on the premises of a wholesale liquor-dealer, who has paid the special tax required by law, shall be marked, branded, and stamped by such wholesale liquor-dealer in such manner and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe; and on or before the tenth day of each month every wholesale liquor-dealer shall make return, under oath, to the collector of internal revenue for the district of the various kinds and quantities of each kind and of the total quantities of distilled spirits received on his premises and of the various kinds and quantities of each kind and of the total quantity of distilled spirits sent out from his stock or possession during the preceding month, and of the quantity of each kind and the total quantity remaining on hand at the end of the month; and such return shall be made in such form and contain such other particulars as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. And every rectifier or wholesale liquor-dealer who refuses or willfully neglects to comply with the requirements of this act as to giving the said notice or the said return, and as to marking, branding, and stamping, in accordance with the law and the regulations made in pursuance thereof, the packages of spirits filled on his premises as aforesaid, shall, for each such offense, be fined not less than two hundred dollars nor more than one thousand dollars."

That section thirty-two hundred and ninety-five of the Revised Statutes of the United States be amended by striking out the final words of said section, namely, the words following "by cutting or burning a canceling line across such marks or brands."

The foregoing amendments of laws relating to internal revenue shall take effect thirty days from and after the passage of this act.

REGULATIONS PRESCRIBED.

In pursuance of the foregoing provisions of law, and by virtue of the power thereby vested in the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, the following regulations are hereby prescribed, to take effect and be in force from and after the 15th day of October, 1892:

RECTIFIER'S NOTICE, FORM 122.

Whenever any rectifier proposes to empty any spirits for the purpose of rectifying, purifying, refining, redistilling, or compounding the same, either in fact or, as in the case of mixing in the packages, constructively, he shall, before emptying any package for that purpose, or before compounding in the package, give notice of such intention to the collector of the district upon Form 122, heretofore, and hereby, pre-

scribed for that purpose, in duplicate, and will enter in said form each and every particular as required by Regulations, Series 7, No. 7, Revised, and as provided for on said form, and shall submit such package for the inspection of a United States gauger, who shall duly weigh (or in certain cases gauge) such package and its contents, and make due return thereof.

All the provisions of said Regulations, Series 7, No. 7, Revised, under the heading "Rectifier's Notice, Form 122," are again prescribed under the foregoing act of July 16, 1892, and are to be strictly complied with by rectifiers and internal-revenue officers in each and every particular, except as the same may be varied hereby.

MARKING, BRANDING, AND STAMPING OF SPIRITS BY RECTIFIERS AFTER COMPLETION OF THE PROCESS OF RECTIFICATION.

Section 3320, Revised Statutes, as amended, no longer requires packages of rectified spirits containing five wine gallons or more filled for shipment, sale, or delivery, on the premises of any rectifier who has paid the special tax required by law, to be gauged, inspected, and stamped by a United States gauger, but requires that such packages shall be marked, branded, and stamped by the rectifier.

Accordingly it is the duty of every rectifier, so soon as the process of rectification (including compounding in the casks) of any distilled spirits on his premises is completed, to draw off such spirits into merchantable casks or packages, when not already so contained, and to ascertain the true contents of each cask or package in wine gallons and in proof gallons.

For this purpose the rectifier must put up his spirits in casks or packages of such shape and size that they can be readily inspected either by weighing with scales or by gauging with the gauge rod; and of such material as will admit of the attachment and affixing of the marks, brands, and stamps required by law.

Rectifiers are hereby required to ascertain the number of gallons in casks or packages filled by them by weighing by the use of the scales, excepting that the gauging rod may be used for ascertaining the contents of casks or packages of rectified spirits which contain saccharine matter, or other material, to such an extent that the hydrometer indicates an apparent proof differing more than 2 per cent from the actual true per cent of proof.

Rectifiers are at liberty to use any scales for weighing distilled spirits which they may desire, provided the same are adapted for the purpose and accurate.

Gaugers and deputy collectors will make an occasional test of scales used for this purpose.

Rectifiers rectifying less than 500 barrels of spirits a year, counting 40 proof gallons to the barrel, may, until otherwise ordered, also use

the gauging rod for ascertaining the contents of packages filled by them.

Rectifiers are hereby forbidden in filling packages to leave an ullage or wantage exceeding that allowed under the regulations respecting "Wantage," Series 7, No. 11, Revised (Gaugers' Manual), which are continued in full force and are hereby prescribed and made applicable to weighing and gauging at rectifiers, except as to "wantage in small packages," and when an ullage or wantage is left, it must be left to the full limit allowed and no more—that is to say, where rectifiers do not desire to completely fill their casks or packages, the ullage must be exactly one-half wine gallon, 1 wine gallon, 1½ wine gallons, or 2 wine gallons, according to the size of the package and the regulations respecting "Wantage," as prescribed in Series 7, No. 11, Revised, above mentioned.

Whenever the weighing system is employed, as above directed, the rectifier will legibly and durably cut the tare, in pounds and half-pounds, upon the bung stave of the empty cask, on the side of the bung-hole nearest the stamp head, as soon as the same is ascertained.

When the cask is filled, the rectifier will in like manner cut the gross weight, tare, and net weight of the package and its contents, also in pounds and half pounds, the actual wine gallons, the proof, and the proof gallons contents, giving the fractions of gallons in each case.

In like manner, when the contents of the package are ascertained by the use of the gauging rod and wantage rod, the rectifier will cut upon the bung stave the figures denoting the full capacity of the cask in gallons (and a half gallon, if any), and immediately beneath, the figures denoting the ullage or wantage, and the quantity to be allowed for correction of volume owing to temperature, the latter being followed by the sign plus (+) if the correction is to be added, or the sign minus (—) if subtracted; and then the figures denoting the wine gallons and proof gallons contents, giving the fractions, if any, in either case.

When the spirits are exactly at proof, and the same figures denote both the wine gallons and the proof gallons, they need be cut but once on the bung stave.

AFFIXING AND CANCELLATION OF STAMPS.

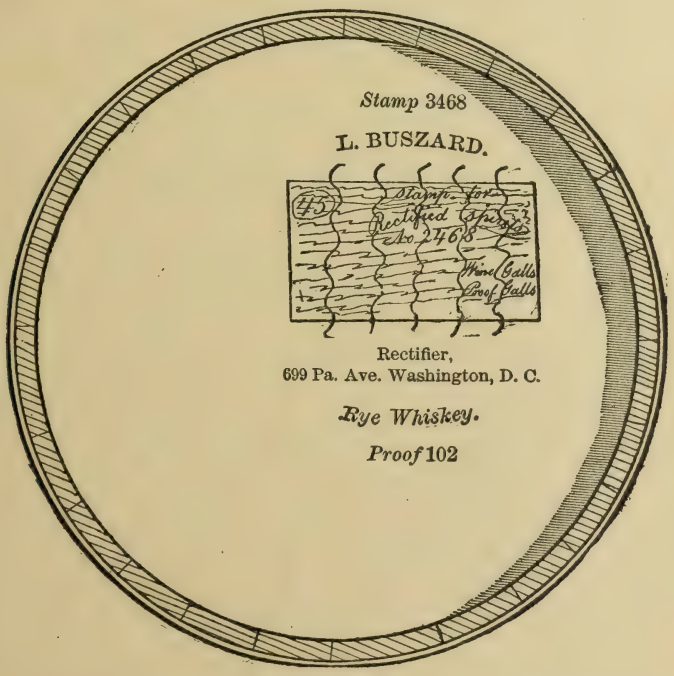
The rectifier having determined the contents of the packages and marked the same on the bung stave thereof, as above provided, will immediately affix thereto the appropriate stamps for rectified spirits and cancel the same as directed below, having first fully and correctly filled out each and every blank space in the stamps and in the stubs thereof.

Affixing.—The stamps are to be securely affixed to a smooth surface of the cask or package. That surface must not have been previously painted or covered with any substance. Transparent varnish, or any other adhesive material which will cause the stamp to stick securely and permanently, may be used for that purpose.

Cancellation.—The stamp having been affixed it must immediately be canceled. For this purpose the rectifier will use a stencil plate of brass or copper, in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch beyond each side of the stamp on the wood of the cask, and the name and place of business of the rectifier must be cut on opposite ends of the plate, perpendicular to the waved lines, the name above the space for the stamp and the place of business below the space.

The stamp having been affixed and canceled, it must immediately be covered with a coating of transparent varnish.

Marking packages.—In addition to the above marks indicating the name and place of business of the rectifier, he must also mark upon the stamp head of the package the serial number of the stamp, the proof of the spirits, and the particular name of the spirits as known to the trade. The mark or brand must be substantially as follows:



When a stamp is issued for spirits which have an apparent proof, which has been so written in the stamp, the apparent proof will be marked on the head of the cask, preceded by the letters "A. P."

When a stamp is issued for spirits which indicate no proof upon the hydrometer stem, the cask or package shall be marked "No proof" by cutting an "O" where the true per cent of proof would otherwise appear.

TRADE-MARKS AND CAUTION NOTICES.

Section 17 of the act of February 8, 1875 (section 3316 a, Compilation of 1889), provides—

"That if any person shall affix, or cause to be affixed, to or upon any cask or package containing, or intended to contain, distilled spirits, any imitation stamp or other engraved, printed, stamped, or photographed label, device, or token, whether the same be designed as a trade-mark, caution notice, caution, or otherwise, and which shall be in the similitude or likeness of, or shall have the resemblance or general appearance of, any internal-revenue stamp required by law to be affixed to or upon any cask or package containing distilled spirits, he shall, for each offense, be liable to a penalty of one hundred dollars, and, on conviction, shall be fined not more than one thousand dollars, and imprisoned not more than three years, and the cask or package with its contents shall be forfeited to the United States."

NEW RECTIFIER'S STAMP PRESCRIBED.

In accordance with the provisions of the act of July 16, 1892, a new rectifier's stamp is hereby prescribed, as follows:

Stamp for rectified spirits, No. ——.

Issued by ——— ———, collector —— district, State of ———, to ——— ———, rectifier of spirits in the said collection district, ———, 18—. —— proof gallons, —— wine gallons.

These stamps are bound in book form, each book containing two hundred stamps, only one denomination being contained in each book.

The denominations are 5, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, and 130 gallons, respectively, with nine coupons attached to each, and each coupon representing 1 gallon.

In using the coupons on rectifiers' stamps, the same rule will be followed in the treatment of fractional parts of gallons as is observed in the treatment of fractions of proof gallons for the purpose of taxation; that is, if the fraction is less than 0.50 it is dropped, and if 0.50 or more it is called the unit above. Thus, if a cask contains 42.46 gallons, a 40-gallon stamp and two coupons will be used, and 42.46 will be written in the body of the stamp. If the fraction were 0.52 three coupons would be used and 42.52 written in the stamp.

When rectified spirits are below proof the same rule will be followed as in the issuance of tax-paid stamps; that is, the stamps will be issued for the taxable gallons, and the proof gallons will be written in the stamp.

When the apparent strength of the spirits (by reason of the addition of saccharine or other matter) differs more than 2 per cent from the actual proof, while the hydrometer shows them to have an apparent proof not exceeding 100 per cent, the letter "A" will be written on the stamp before the words "Proof gallons," and the apparent gallons will be entered in the proof gallon space.

When the spirits indicate no proof upon the hydrometer stem (owing to the large quantity of saccharine or other matter contained), the wine gallons will be written in the stamp, and the word "No" will be written before the words "Proof gallons" and the word "Gallons" stricken out so as to read "No proof."

Connected with each stamp is its corresponding stub, which the rectifier will in all cases fill out in accordance with the facts in the case.

APPLICATION FOR STAMPS FOR RECTIFIED SPIRITS.

It having been shown that previous regulations under the act of July 16, 1892, as to the issue of rectifier's stamps caused serious inconvenience to many rectifiers in the conduct of their business by reason of delay in the procurement of the stamps, and as it is believed to be practicable to place books of stamps in the hands of rectifiers for their better accommodation without danger to the interests of the revenue, that course will be pursued, subject, however, to the following regulations:

In the event that any rectifier willfully violates or neglects to comply with any of the provisions of these regulations regarding the issue and use of stamps for rectified spirits, the collector will immediately withdraw the books of stamps in possession of the offender, and thereafter only issue stamps to him in accordance with the regulations heretofore in force as embraced in Supplement No. 2 to Series 7, No. 7, revised.

Rectifiers desiring books of stamps for rectified spirits will make application therefor to the collector of the district or to the proper deputy collector on Form 341, and certify thereon that the stamps applied for are necessary in the conduct of their business for the period mentioned in the form.

Rectifiers will enter on the form in the appropriate column on the line, "Kind of books required," only the particular books and the number of each which will be deemed absolutely necessary for the period of five days from the date of application.

Whenever the rectifier is located in the same town or city with the stamp-issuing officer, or whenever otherwise practicable, application for stamps will be presented on Form 341 by the rectifier in person or by his duly authorized agent or attorney, who will receipt for the stamps at time of their delivery.

Where, however, the rectifier is located at a considerable distance from the stamp-issuing officer, the stamps may be forwarded, on receipt of due application on Form 341 by registered mail, in case 10 cents accompany the application to meet the expense of registration; otherwise the stamps thus applied for will be forwarded by express, C. O. D.

When not presented in person at the office of issue, or by proxy, as above, the application will be made in duplicate, and one copy thereof, properly filled out, will be returned to the applicant with the stamps, and the other copy will be retained by the stamp-issuing officer.

Immediately upon receiving the stamps thus issued, the rectifier will receipt for the same in the space provided on Form 341, and return the application thus receipted by registered mail to the officer issuing the stamps, who will thereupon file the form thus receipted with the one retained as above directed.

In the event that the rectifier fails to return the application properly receipted in due time, the officer issuing the stamps will direct him to do so, and will decline to make further issue of stamps to the delinquent rectifier until the regulation in this particular is fully complied with.

The blank space in Form 341 indicated by an asterisk will be filled by the officer issuing the stamps as directed in the footnote on the form.

Upon discontinuance of business of any rectifier, the stamp issuing officer will require him to return all unused or partially used books of stamps, as well as all stubs of stamps in possession, with returns necessary to close business.

ISSUE OF STAMPS.

Upon receipt of an application for stamps on Form 341, the collector will, before filling the same, examine the Record 39 to see that the entries of spirits already stamped do not exceed the quantity of spirits reported as dumped, including spirits reported on any Form 122 that day filed by the rectifier, but not yet returned by the gauger with the report of gauge thereon, and will carefully compare with the record the "Balance of spirits in process of rectification" contained in the latest "Report of spirits rectified, marked, and stamped," Form 340.

He will also carefully examine Record 84 to see if the stubs of the second preceding book (if any) of stamps of the denomination required have been duly returned.

Collectors will be expected to keep both the Records 39 and 84 to date, and to carefully scrutinize the same as above directed. If there appears to be a balance of spirits still in course of rectification, and if the book or books of stubs of the second preceding issue have been duly returned in good order, properly filled as provided, and if the required reports have been properly made, the stamps will then be issued as requested, and not otherwise.

Only one book of each denomination will be issued to a rectifier at a time, and only such denominations as are essential in the conduct of his business.

Where, however, the extent of the business of the rectifier, or his location in respect to the stamp-issuing officer, renders it imperatively necessary for him to have in possession two books of stamps of the same denomination at one time, that number may be issued on one application, at the discretion of the stamp-issuing officer, who will, in all

instances, make correct entry on Form 341 in the appropriate column, on the line "No. of books supplied."

No more than two issues of stamps will be made before the stub book of the first of the two issues shall have been returned to the officer issuing the same.

EXAMINATION OF COUPONS.

Immediately upon the return of books of stubs, the collector will have careful comparison made of such stubs with the corresponding "Return of spirits rectified, marked, and stamped," Form 340, containing the detailed description of packages filled and stamped, to see if the entries in the stubs properly describe the packages of spirits to which the stamps are reported to have been affixed, and to determine if the proper number of coupons was detached, and no more. In case of any missing coupon in excess of the number of gallons purporting to have been contained in the package to which the stamp was attached, an explanation will be at once demanded of the rectifer, and the facts reported to this office.

An inspection will be made of the several accounts in Record 84 at frequent stated intervals, and the detention of books of stamps for any considerable period of time, in excess of that warranted by the known course or extent of the rectifier's business, although few or no reports on Form 340 for the period are on file, will be made the subject of prompt inquiry.

Rectifiers should be directed upon close of business or any cessation or interruption of it, to immediately return all stub books or books of unused stamps with final reports on Forms 340 and 45.

Whenever business is discontinued at any rectifying establishment, the gauger assigned to duty thereat will immediately give notification of such discontinuance to the collector, who thereupon will require immediate return of the books of stamps at such establishment.

COLLECTOR'S RECORD OF RECTIFYING BUSINESS, BOOK No. 39.

The intrusting of books of stamps to rectifiers, as provided herein, renders it imperatively necessary that the account with each rectifier shall be so completely and accurately kept that the collector shall be constantly advised as to the state of his business, and be enabled to exercise such supervision over the issue and use of stamps for rectified spirits as to prevent misuse for the perpetration of fraud.

Accordingly, it is expected that Record 39 will be carefully kept, with all the particularity enjoined in Series 7, No. 7, Revised, p. 86, and any failure to observe the regulations in this particular will be regarded as a grave neglect of duty.

The entries on this Record under "Received for rectification" will be made from Forms 122 as heretofore, and those under the head of "Spirits rectified" will be taken from the rectifiers' reports on Form 340.

The collector will enter under the heading "Sweetened spirits" the wine gallons and apparent proof gallons of such sweetened spirits only as have a true proof in column 7 not exceeding 100 per cent, and an apparent proof in column 9 differing more than 2 per cent from the true proof. The actual proof gallons of such spirits appearing in column 8 will be entered under the proper heading.

All other spirits are to be entered under the heading "Without saccharine matter," except spirits having no apparent proof, which will be entered under the headings provided therefor.

USE OF STAMPS.

Rectifiers must fully and correctly fill out each and every blank space in the stamps used by them, and in the manner indicated by the stamp itself. They must also use great care in detaching the stamp to see that the precise number of coupons wanted is taken and no more. The blank places in the stub must be carefully and exactly filled out from the stamp and before the stamp is detached.

So soon as a book is exhausted, it must be the same day returned to the collector, as the issue of stamps to the rectifier will stop with the failure to send in the stubs of the second preceding book issued to him

RECORD 64, REVISED.

Record 64, revised to suit the circumstances, will be continued in use at all rectifying establishments for recording the transactions thereat.

Collectors will see that true and exact entries are made in this record, as herein directed, so that it will at all times indicate the quantity of spirits in proof gallons which the rectifier is entitled to gauge and stamp.

The first entry made in the record, under these regulations, will be the balance standing to the rectifier's credit as shown by the collector's account, Record 39, verified by actual inventory to be made for this especial purpose. This entry will be made in column 6 of the record by the proper deputy collector, under whose supervision the inventory will be made, who will place the date of such entry and his signature in columns 7 and 8.

Every gauger making return of spirits gauged for rectification, on Form 122, will immediately, upon completion of such gauge, enter in column 1 in this Record the date of such gauge. In column 2 he will enter the aggregate of the column of "Proof gallons contents" under "Return of spirits gauged" on said Form 122, and will write his initials in column 3.

Whenever the rectifier gauges and stamps spirits after rectification, he will at once enter in column 4 of said Record the date of his return, on Form 340; in column 5, the aggregate number of actual proof gallons gauged, as shown on said form, including in such entry the actual

number of proof gallons contained in sweetened spirits, if any, and in column 6 the balance, in proof gallons, then standing to his credit. This balance will be the difference between the number of proof gallons of spirits gauged for rectification, as shown in column 2 of the Record, and the number of proof gallons of rectified spirits gauged and stamped, as exhibited in column 5, due allowance being made for the quantity entered as standing to rectifier's credit, on opening the Record, as above provided. For instruction as to action in case of excess of spirits, see paragraphs 4 and 5, on p. 87 of Series 7, No. 7, Revised.

Record 64, revised, will be retained at the rectifying house, and entries therein will be in ink, and gaugers will see that the same are made to date in all instances.

The collector will require the deputy collector in charge of the division to verify the accuracy of the said balance at least semi-monthly, and at the same time to enter in column 7 on the record the date of verification and in column 8 his signature. Where like verification is made by an internal-revenue agent, he will also place his signature and the date in said columns 7 and 8.

If errors are made in the entries on the record they must not be erased, but will be corrected in red ink, opposite to which correction, in columns 7 and 8, the deputy collector will enter the words "Correction proper," and attach his signature and the date as above.

Record 64, revised, is not intended to supersede the collector's account with the rectifier, record 39, which latter will be kept as heretofore, and the balance thereon compared with that on record 64, revised, at least semi-monthly.

Record No. 64, revised, herein prescribed, can not be immediately furnished, and until it is received rectifiers may make the required entries in record 64, heretofore prescribed, or adapt a blank book for the purpose, according to the form of such record as given below.

Form of Record No. 64, revised.

Returns on Form 122.			Returns on Form 340.		Balance of proof gallons.	When and by whom examined.	
Date.	No. of proof gallons.	Initials of gauger.	Date.	No. of proof gallons.		Date.	Name of officer.
1.	2.	3.	4.	5.	6.	7.	8.

RETURN OF SPIRITS RECTIFIED, MARKED, AND STAMPED, AND OF STAMPS USED.

Rectifiers will make return of spirits rectified, marked, and stamped, and of stamps used, on Form 340, in duplicate, to the collector, or to the proper deputy collector, as soon as spirits have been drawn into

packages, and the contents thereof ascertained, and the packages marked and stamped as hereinbefore provided.

Return will be required on Form 340 on each and every day that spirits are received from rectification, marked, and stamped, and such return must embrace all of the transactions for the day on which rendered.

The rectifier will certify upon such return that the schedule thereon is a true statement of the entire quantity of spirits rectified, marked, and stamped on his premises for the period named, and of the stamps affixed thereto.

Also that the actual number of gallons of spirits, as indicated in said schedule, was in each instance entered in the appropriate stamp and in the stub from which the same was detached.

The rectifier will be required to further certify on said return that the "Report of Stamps for Rectified Spirits Used" and the "Report of Spirits Rectified" on the back of the form is correct. The certificate must be signed by the rectifier, or in his name by a person legally competent to so sign.

Rectifiers will be required to make exact entries in the several numbered columns in the schedule on Form 340, according to the facts, as follows:

In columns 1, 2, and 3 of said schedule shall be entered the "Gross weight," "Tare," and "Net weight," in pounds and half pounds, if any, of each package and its contents; or, in cases where gauging with the rod is permitted, there shall be entered in said columns the "Wine gallons capacity," "Wantage," and "Correction of volume" of each package.

In columns 4, 5, and 7 shall be entered the "Indication" of the hydrometer, the "Temperature" of the spirits, and the true "Proof" of the spirits resulting therefrom. In columns 6 and 8 shall be entered the "Net wine gallons contents" and the "Proof gallons contents" of each package. Columns 9 and 10 will be left blank, except when the spirits contain saccharine or other material to such an extent that the hydrometer indicates a strength of the spirits differing more than 2 per cent from the actual true per cent of proof, and when the spirits have an apparent proof not exceeding 100 per cent.

In such cases columns 7 and 8 must be accurately filled with the actual "Proof" and "Proof gallons contents," as known to the rectifier, and columns 4 and 5 will be filled with the "Indication" and "Temperature," and columns 9 and 10 with the "Apparent proof" and "Apparent proof gallons contents," as shown by the hydrometer after rectification was completed.

In case of spirits alleged to be sweetened, but which have an apparent proof exceeding 100, or which have an actual proof not exceeding 2 per cent above that indicated by the hydrometer, the columns will be filled in the same manner as above prescribed for unsweetened spirits,

namely, columns 1 to 8, inclusive, will be filled and columns 9 and 10 left blank.

In entering spirits which contain so much saccharine or other matter that no indication is shown by the hydrometer, a cipher will be written in columns 4, 5, 7, 9, and 10, and the true "Proof gallons contents" as known to the rectifier will be entered in column 8.

Columns 1, 2, 3, and 6 are to be filled, of course, in all cases; and in column 11 will be invariably entered the serial number of the stamp for rectified spirits, attached to the particular package reported on the same line.

Under "Report of stamps for rectified spirits used" the rectifier will enter in the appropriate space the number of stamps remaining on hand, as per last report, giving date of the same, the number of stamps received since that date, and the total of the two. Also the number of stamps used during the day for which the report is rendered, the number remaining on hand at close of business on that day, and the total of the two last mentioned items.

Particular care will be exercised to make entries of stamps under the proper denomination.

Under "Report of spirits rectified" the rectifier will be required to make correct entry of the number of proof gallons of spirits in course of rectification at time of rendering previous return, giving date of such return.

On the first report made on Form 340, the rectifier will, however, enter the quantity of spirits then in course of rectification, and write the words "First return" in the space for the date.

The rectifier will also return on the indicated line the number of gallons of spirits dumped since previous return, as shown by the entries on Form 122, the quantity stamped since last return, and the number of gallons of spirits then in course of rectification. The several entries under "Report of spirits rectified" must agree with the corresponding entries on Record 64, Revised.

The rectifier will also make proper entries on the "Total" lines, under the above heading, and properly fill out the indorsement on the back of the form.

When the return is completed, as above directed, the rectifier will immediately forward both copies to the collector of the district, or to the proper deputy collector, who, on receipt, will carefully examine the same to see that they are correct in all particulars.

If the return is found to be complete and accurate, the collector will forward one copy to the Commissioner of Internal Revenue inclosed in the rectifier's report on Form 45 for the month, and file the other copy with the retained copy of said report.

COLLECTOR'S RECORD OF RECTIFIERS' STAMPS ISSUED.

A record of stamps issued, known as Record 84, is hereby prescribed, and will be kept by collectors at the principal office and at the office of

any deputy authorized to issue rectifiers' stamps. Suitable books will be prepared and issued as soon as practicable. Meantime collectors will adapt a suitable blank book for the purpose.

In this record an account will be kept with each rectifier in the district. In adjacent columns will be entered the items mentioned below and in the order named, viz: In column 1, the date of issue of any book or books of stamps; in column 2, the date of the rectifier's receipt for the book; in column 3, the denomination of the stamps; in column 4, the serial number of the book; in column 5, the numbers of the first and last stamps in the book; in column 6, the date of the return of that same book; in column 7, the number of the last stamp detached from the book, and in column 8, the total number of stamps which have been detached from the stubs.

ATTACHMENT OF WHOLESALE LIQUOR-DEALERS' STAMP TO CASKS FILLED WITH SPIRITS RECEIVED FROM RECTIFICATION.

Under the foregoing provisions of law relative to the marking, branding, and stamping of casks or packages by the rectifier on whose premises they are filled, it is hereby prescribed that in cases where rectifiers who also hold special-tax stamp as wholesale liquor-dealers desire to place the product of rectification directly under a wholesale liquor-dealers' stamp, that course may be pursued without first affixing the stamp for rectified spirits, as heretofore required.

Whenever any person competent so to do desires to attach dealers' stamps to spirits directly upon completion of the process of rectification, he will make application for said stamps on Form 92 or 92½, as the case may be, attaching thereto in each instance stamps for rectified spirits taken from the books intrusted to rectifiers, as herein provided.

The stamps thus detached and forwarded with the applications for dealers' stamps must in each case be of such denomination and have attached thereto such coupons as will correctly represent singly the number of gallons represented by the dealers' stamps applied for.

Thus, if the application be for one 38-gallon and one 42-gallon dealers' stamp, the rectifiers' stamps which must accompany the application will be one 30-gallon stamp with eight coupons attached and one 40-gallon stamp with two coupons attached.

In every case of such application and issue of dealers' stamps the rectifier will make due entry in the stamp stub book, and render return on Form 340 of the packages stamped with the same particularity as if the rectifiers' stamps were actually attached to the casks, the entry in column 11 of said form being made as in such cases. The return on Form 340 thus made will in all instances be forwarded to the collector with the application for the dealers' stamps—Form 341.

Collectors will make entry in Record 39 from Form 340 thus made, as in other instances, and the rectifier will duly report on the back of

said Form 340 the rectifiers' stamps thus used and the spirits rectified as ordinarily.

The stamps attached to Form 92 or 92½ will be filed therewith by the collector, who, if fully satisfied that the application and stamps accompanying, and return on Form 340 are in accord with these regulations, will issue the stamps thus applied for.

The dealers' stamps thus issued will be affixed, canceled, and varnished, and the casks marked as directed herein in the case of affixing rectifiers' stamps, except that the canceling plate to be used for this purpose must give the business of the person thus affixing the stamp as "Rectifier and W. L. Dealer."

WHOLESALE LIQUOR DEALERS.

Marking, branding, and stamping of packages of distilled spirits filled by them.

The enactment hereinbefore cited respecting wholesale liquor dealers' packages is similar to the law in that regard already existing, but its provisions are more explicit, in requiring the packages to be marked and branded, as well as stamped, in such manner and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe; and also in requiring that such marking, branding, and stamping shall be done by the wholesale dealer.

In accordance with the provisions of said enactment, every wholesale liquor dealer is required to ascertain with complete accuracy the number of wine gallons, the proof, and the number of proof gallons of distilled spirits in any package containing 5 wine gallons or more when filled on his premises. Thereupon he shall make application to the collector of the district on Form 92 or 92½, heretofore and hereby prescribed for that purpose, for the issue of the proper "wholesale liquor-dealers' stamp," or "stamp for imported spirits," according as the package to be stamped contains domestic or foreign spirits.

These stamps are the same stamps which have heretofore been issued, and they are hereby again prescribed for use.

Application will be made for these stamps, and the same will be issued, and when received by the wholesale liquor dealer will be affixed and canceled, and the packages marked or branded, at the time and in the manner and form prescribed in the general "Regulations and Instructions concerning the Tax on Distilled Spirits" (Series 7, No. 7 Revised), all the provisions and requirements of which "Regulations and Instructions" respecting the duties and obligations of wholesale liquor dealers, and of internal-revenue officers concerning packages filled on the premises of a wholesale liquor dealer, remain in full force and are also hereby prescribed under and in pursuance of the said act of July 16, 1892.

MONTHLY RETURN BY WHOLESALE LIQUOR DEALERS.

Pursuant to the provisions in that respect of the act of July 16, 1892, every wholesale liquor dealer shall, on or before the 10th day of each month, make return, under oath, on Form 338, which has been provided and is hereby prescribed for that purpose, to the collector of the district, of the exact quantity, in proof gallons, of each kind of distilled spirits, and the total quantity of all kinds of distilled spirits on hand at the beginning of, and received on his premises during, the preceding month; and in like manner, the exact quantity of each kind and the total quantity of all kinds sent out from his stock or possession during such month; and the quantity of each kind, and the total quantity of distilled spirits of all kinds, remaining on hand at the end of the month.

Where spirits contain saccharine matter or other material to such an extent that the hydrometer will not correctly indicate the proof, the wine gallons thereof will be considered as proof gallons and so returned.

The proof gallons of unsweetened spirits will be entered in all cases.

To secure entire accuracy in this account, and in order that the balance may correctly represent the quantities on hand, it is required that at the close of the months of June and December in each year, a full, true, and exact inventory shall be made by every wholesale liquor dealer of each kind of spirits and of all distilled spirits then on the premises, without regard to the date when such spirits were received.

These returns, when received by the collector, shall be carefully filed in his office for reference; especially in connection with the monthly transcripts rendered from the wholesale liquor dealer's book.

In case of a wholesale liquor dealer, who is also a rectifier, his return on Form 338 must include all spirits received and disposed of by him whether the same are rectified by him or not.

The quantity "Received during month" will include all spirits that came on to the premises and also all spirits "Received from rectification" (as entered on Form 52) under the various headings as to kinds of spirits.

The quantity "Sent out of stock during the month" will include all spirits disposed of by sale, and also all "Spirits emptied for rectification from stock received" under the various headings.

The entries "On hand" at beginning and end of month will not include spirits then in course of rectification, and which have been duly entered on Form 52 as "Emptied for rectification from stock received."

Whenever the dealer has imported spirits in custom bonded warehouse, the exact quantity of which is unknown to him, and consequently not entered on Form 52, it is not expected that the spirits will be taken up on Form 338 until the dealer is informed as to the actual quantity of the same.

ERASURE OF MARKS, BRANDS, AND STAMPS.

The purpose of the amendment of section 3295, Revised Statutes, hereinbefore recited, by striking out the final words of said section, which words require the erasure of certain marks and brands mentioned in the section to be effected "by cutting or burning a canceling line across such marks or brands," is to remove an ambiguity in the law as to the proper method of effacement of the said marks and brands, inasmuch as section 3324, Revised Statutes, provides that all marks, brands, or stamps required by law shall, without exception, at the time of emptying the cask or package, be effaced and obliterated.

The effect of the amendment is to make obligatory the total effacement and obliteration of all marks, brands, or stamps required by law upon any cask or package, when such cask or package is emptied of its contents.

PENALTIES.

It will be observed that penalties are provided by the above statute for every refusal or willful neglect by a rectifier to give the notice, in duplicate (on Form 122), to the collector of the district of his intention to rectify or compound any distilled spirits, and to submit the package for the inspection of a United States gauger before emptying the spirits from the package for rectification, or before rectifying or compounding them in the package.

Also for the refusal or willful neglect of any wholesale liquor dealer to give the monthly return, under oath, to the collector of internal revenue for the district, of spirits of various kinds and of all kinds received, sent out, and on hand, as by the terms of the statute required.

Also for any refusal or willful neglect by any rectifier or wholesale liquor dealer to comply with the requirements of the act as to marking, branding, and stamping the packages of spirits filled on his premises, in accordance with the law and the regulations made in pursuance thereof.

DATE WHEN THE AMENDMENTS TAKE EFFECT.

By the terms of the act, the several amendments of the internal-revenue law contained therein take effect thirty days from and after the passage of the act.

The act having been approved July 16, the amendments enumerated took effect on the 15th day of August, 1892.

Collectors, upon receipt hereof, will at once notify all rectifiers and wholesale liquor dealers in their respective districts of the new duties and obligations devolved upon them therein, by furnishing each of them with a copy of these regulations, and supplying copies of Forms 340 and 341 to each rectifier. For this purpose collectors will make immediate requisition for such number of copies of regulations and

forms as will permit their distribution as above directed, as well as the furnishing of all revenue officers with the same.

Collectors will specially call the attention of wholesale liquor dealers to the inventory herein above required to be made at the end of the months of June and December.

A careful supervision should be exercised over the business operations of all persons affected by the new provisions of law and regulations, that it may be seen whether these provisions are promptly and properly observed, and to afford such information and instruction as may be needed.

JOHN W. MASON,
Commissioner.

Approved:

O. L. SPAULDING,
Acting Secretary of the Treasury.

(Series 7, No. 8, Revised.)

UNITED STATES INTERNAL REVENUE.

REVISED REGULATIONS

CONCERNING

TAXES ON TOBACCO, SNUFF, AND CIGARS

UNDER THE

REVISED STATUTES OF THE UNITED STATES

AS

AMENDED BY SUBSEQUENT ACTS.

JANUARY, 1892.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1892.

TREASURY DEPARTMENT,
Document No. 1487.
Internal Revenue.

55277

REVISED REGULATIONS

CONCERNING

TAXES ON TOBACCO, SNUFF, AND CIGARS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, D. C., January —, 1892.

EXEMPTIONS FROM TAX.

REGISTRY.

Section 26 of the act of October 1, 1890, provides:

That on and after the first day of May, eighteen hundred and ninety-one, all special taxes imposed by the laws now in force upon dealers in leaf tobacco, retail dealers in leaf tobacco, dealers in tobacco, manufacturers of tobacco, manufacturers of cigars, and peddlers of tobacco are hereby repealed. Every such dealer in leaf tobacco, retail dealer in leaf tobacco, manufacturer and peddler shall, however, register with the collector of the district his name or style, place of residence, trade, or business, and the place where such trade or business is to be carried on, the same as though the tax had not been repealed, and a failure to register as herein required shall subject such person to a penalty of fifty dollars.

Each dealer in leaf tobacco, retail dealer in leaf tobacco, manufacturer of tobacco and cigars, and peddler of tobacco, must register with the collector of the district his name, or style, place of residence, trade, or business, and the place where such trade or business is to be carried on, and a failure to register as herein required shall subject such person to a penalty of fifty dollars.* On receipt of the return for register, Form 277, properly executed, the collector will issue to every person or firm so registered a certificate of registry which must at all times be conspicuously displayed in his or their place of business. Such certificates are not transferable. (See Circulars Nos. 355 and 359.)

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* To be returned by the collector on Form 58.

FARMERS SELLING LEAF TOBACCO.

Section 27 of the act of October 1, 1890, provides:

That all provisions of the statutes imposing restrictions of any kind whatsoever upon farmers and growers of tobacco in regard to the sale of their leaf tobacco, and the keeping of books, and the registration and report of their sales of leaf tobacco, or imposing any tax on account of such sales, are hereby repealed: *Provided, however,* That it shall be the duty of every farmer or planter producing and selling leaf tobacco, on demand of any internal revenue officer, or other authorized agent of the Treasury Department, to furnish said officer or agent a true and complete statement, verified by oath, of all his sales of leaf tobacco, the number of hogsheads, cases, or pounds, with the name and residence, in each instance, of the person to whom sold, and the place to which it is shipped. And every farmer or planter who willfully refuses to furnish such information, or who knowingly makes false statements as to any of the facts aforesaid, shall be guilty of a misdemeanor, and shall be liable to a penalty not exceeding five hundred dollars.

Farmers and planters are not required to pay an internal revenue tax for selling leaf tobacco of their own growth and raising, or leaf tobacco received by them as rent from tenants who have produced the same on their lands. The previous limitation of an amount not exceeding one hundred dollars annually is repealed by the law above quoted.

The executor or administrator of a farmer or planter, and the guardian of any minor, is exempted from registering as dealer in leaf tobacco for selling tobacco produced by such farmer or planter, or by said executor, administrator, or guardian as such, or received by either of them as rents from tenants, who have produced the same on the land of said farmer, planter, or minor.

A farmer or planter is not required to pack or prize his tobacco before offering it for sale, in hogsheads or otherwise, but he may sell it loose, as he has heretofore been in the habit of selling, keeping such an account as will enable him to render a true statement of amount sold when called for.

MANUFACTURERS SELLING LEAF TOBACCO.

Special permits will be given by the Commissioner of Internal Revenue to any collector to authorize a tobacco or cigar manufacturer to sell leaf tobacco without registering as a dealer or retail dealer in leaf tobacco in instances where it is made to appear that the sale is not one that would constitute a business as a leaf dealer, as, for instance, a sale to close out his business as a manufacturer.

TOBACCO SOLD IN BULK WITHOUT THE PAYMENT OF TAX.

Section 3262, Revised Statutes, as amended by the act of March 1, 1879, provides that fine-cut shorts, the refuse of fine-cut chewing tobacco, refuse scraps, clippings, cuttings, and sweepings of tobacco, may be sold in bulk as material, and without the payment of tax, by one manufacturer directly to another manufacturer, or for export, under such

restrictions, rules, and regulations as the Commissioner of Internal Revenue may prescribe.

To carry into effect the above provisions, the Commissioner prescribes:

1. That whenever any manufacturer of tobacco or cigars desires to sell his refuse scraps, cuttings, or sweepings of tobacco for export to a foreign country, he will enter the same for shipment in bond under the same rules and regulations as govern the shipment and exportation of other descriptions of taxable tobacco.

2. Whenever a manufacturer desires to sell his stems, shorts, or refuse scraps, clippings, cuttings, and sweepings of tobacco, in bulk and as material, to another manufacturer of tobacco, snuff, or cigars, to be further manipulated, manufactured, or mixed with other manufactured tobacco, he will apply to his collector for a special permit to make such a sale and transfer. In making such application the manufacturer must state the number of his factory, the kind and quantity of tobacco he wishes to so sell and remove as material, and at the same time he must give the name of the manufacturer to whom he wishes to sell, his factory number, and the district and State where his factory is located.

If both the party who desires to sell and the party wishing to purchase are manufacturers of tobacco or cigars in his district, or if residing in different districts if he is furnished with satisfactory evidence that both parties are manufacturers duly qualified, the collector may grant permits to sell without referring such applications to this office. In all other cases the application must be made through the collector to this office.

All such applications must be kept on file or recorded in the office of the collector, and whenever a sale is made out of the district, the collector in whose district the purchaser resides must be notified of the sale, in order that he may see that it is entered on the manufacturer's book and accounted for among his proceeds and sales.

3. Scrap tobacco, the refuse of leaf from the barns of farmers and planters, or from the warehouses of dealers and reprizers in the country, which has become broken up and mutilated in handling, but which has never been in the hands of a manufacturer, may be sold in bulk as heretofore to a manufacturer or to a leaf-dealer, but it can not be put upon the market for general sale and consumption without the payment of the tax as other scrap tobacco.

With this exception, no persons, other than manufacturers of tobacco, snuff, or cigars, will be allowed either to purchase or sell this description of tobacco, unless it is packed and stamped as provided by law. See page 28, Imported Scraps, &c.

TOBACCO STEMS.

The act of October 1, 1890, provides that tobacco stems, when imported, shall be exempt from duty. Collectors will hold manufacturers to account for all imported stems purchased by them in the same manner as for domestic stems.

Section 3358 Revised Statutes, prescribes that tobacco manufacturers shall enter in their Government books, monthly returns, and annual inventories, the quantity of stems purchased, sold, or removed by them, and provides penalties for refusal or neglect to so keep that part of their account.

Tobacco stems are largely used in the manufacture of smoking tobacco and snuff.

Therefore the sale of stems may be made by one manufacturer to another, as material under the same regulations as are prescribed for the sale of shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco, under permits from the collector of the district in which the sales are made.

Persons who wish to purchase tobacco stems in their natural condition must qualify as manufacturers of tobacco, so that other manufacturers and dealers in leaf may lawfully sell stems to them without admixture of lime, ashes, etc. By so qualifying they may grind or otherwise prepare stems for use as fertilizers, sheep wash, etc., and may sell, unstamped, as material, scraps taken therefrom to manufacturers of smoking tobacco. The stems so ground must be rendered unfit for use as smoking tobacco or snuff before being removed for sale or use as fertilizers.

Tobacco stems, when sold to *other than* qualified manufacturers, must be rendered unfit for use as tobacco or snuff by the admixture of lime, water, sulphur, ashes, or other similar substances; or if, on inspection by a revenue officer, the stems are found to be rotten and spoiled they can be removed without such admixture.

PERIQUE TOBACCO.

An act to amend section 3362 of the Revised Statutes, relating to the tax on perique tobacco, approved January 9, 1883, provides "that section thirty-three hundred and sixty-two, as amended by the act of March first, eighteen hundred and seventy-nine, be, and the same is hereby, amended by inserting after the words 'or for export' and before the words 'for such restrictions' in the second provision of said section, the following words: 'And perique tobacco may be sold by the manufacturer or producer thereof, in the form of carrottes, directly to a legally-qualified manufacturer, to be cut or granulated and used as material in the manufacture of cigarettes or smoking-tobacco without the payment of tax.'"

By the foregoing, the words inserted in section 3362 are made part of the second proviso thereof, which authorizes the Commissioner of Internal Revenue to prescribe the restrictions, rules, and regulations under which sales of fine-cut shorts, refuse scraps, etc., may be made in bulk as material, without payment of tax, by one manufacturer directly to another manufacturer.

The regulations on the subject of such sales, published above, are

hereby extended and made applicable to the sale and transfer of perique tobacco in carrottes without the payment of tax.

It will be seen by the terms of the act first above quoted that no person other than the manufacturer or producer thereof is authorized to make sales of unstamped carrottes of perique tobacco, and the manufacturer or producer can sell them only to a legally-qualified manufacturer to be used as material.

Perique tobacco, in the form of carrottes, found unstamped on the market or outside of a factory, and not *in transitu* under permit to another manufacturer, will be liable to seizure and forfeiture; and the manufacturer will be liable to the penalties imposed by sections 3372 and 3374, and the purchaser or receiver for sale, to the penalties imposed by section 3366, Revised Statutes.

FINE-CUT SHORTS.

Fine-cut shorts, the refuse of fine-cut chewing tobacco may be sold in bulk, like scraps, clippings, etc., by one manufacturer of tobacco to another; but when put up for general sale and consumption, they must be packed in 2, 3, 4, 8, and 16 ounce packages, and stamped like other small packages of tobacco. The law does not authorize the packing of shorts in 10, 20, 40, and 60 pound packages, the same as fine-cut chewing. Revenue officers, in their several districts, will see that manufacturers strictly comply with the law and regulations in packing this and all other kinds of tobacco.

SNUFF FLOUR.

Snuff flour not prepared for use, but which needs to be subjected to further processes of sifting, pickling, scenting, or otherwise, before it is in a condition fit for use or consumption, may be sold by the snuff grinder in bulk and without the payment of the tax. Such sales, however, and removal of snuff flour can only be made upon a special permit. A collector is authorized to issue a permit upon application made to him, if satisfactory evidence is furnished that the purchaser is a duly authorized tobacco manufacturer. All applications made to a collector by a snuff grinder, which are not accompanied with full and satisfactory evidence that the purchaser is an authorized manufacturer, will be immediately referred to the Commissioner.

All snuff flour sold by any manufacturer of snuff or snuff grinder in bulk without a special permit, as hereinbefore stated, will be deemed and held to have been sold or removed for use or consumption, and collectors will report all such sales to the Commissioner on Form 23*a* for assessment.

DEALERS IN LEAF TOBACCO.

While persons dealing in leaf tobacco will not be required to pay special tax after the 1st of May, 1891, the distinction in other respects between a dealer in leaf tobacco and a retail dealer in leaf tobacco is maintained by the statute. The definition remains the same, and they must register either as dealer or retail dealer in leaf tobacco according to their manner of making sales.

A person may qualify both as a dealer in leaf tobacco and a retail dealer in leaf tobacco, and do business as both in the same premises, but keeping separate and distinct the several books—Forms 59 and 149—required. (See Circular No. 367.)

Under the statute, dealers in leaf tobacco are those dealers who sell to three classes of purchasers, viz: 1, to other dealers in leaf tobacco; 2, to manufacturers of tobacco, snuff, or cigars; 3, to persons known to be purchasers of leaf tobacco for export, and who purchase only in original hogsheads, cases, or bales. Any leaf dealer selling to other persons, or in any other manner than as above, becomes a retail dealer in leaf tobacco and liable for failure to register as such, and for failure to keep the book prescribed and to make the semi-annual returns of sales.

DEALERS IN LEAF TOBACCO TO KEEP BOOKS.

Section 3360, Revised Statutes, as amended by the act of March 1, 1879, provides that every dealer in leaf tobacco shall keep two books, one of which is to be furnished by the Government. In these books the dealer is to enter, daily, the number of hogsheads, cases, and pounds of leaf tobacco purchased or received by him on assignment, consignment, transfer, or otherwise, and of whom purchased or received, and the number of hogsheads, cases, or pounds sold by him, with the name and residence in each instance of the person to whom sold, and, if shipped, to whom shipped and to what district. The entries in both of these books are to be in every respect identical and original entries. One of these books is to be kept at the dealer's place of business, and is to be open at all hours to the inspection of any internal-revenue officer or agent. The other book, which is the property of the Government, at the end of each and every year, and upon the discontinuance of business of every dealer during any year, is to be handed over to the collector of his district for the use of the Government.

The leaf-books to be furnished by the Government will be substantially according to Form 77, heretofore prescribed. They will be forwarded to the several collectors, who are especially charged to see that a copy is placed in the hands of every leaf-dealer in their districts.

In the book furnished by the Government an entry is required to be made of the stock of leaf tobacco on hand, giving the number and kind of packages and the gross and net weight of the same in pounds, on the 1st day of January of each year, and at the time of commencing and concluding business, if before or after the 1st day of January.

TRANSCRIPTS OF LEAF-TOBACCO DEALERS' BOOKS.

Transcripts from the books of leaf-tobacco dealers, showing all sales made to manufacturers of tobacco, snuff, and cigars outside of their own districts, are required to be made by collectors and forwarded to the Office of Internal Revenue at the end of each quarter.

Collectors will observe that only transcripts of sales made to persons outside of their districts, who are not leaf-dealers nor exporters, are required.

For the first three quarters the sales are to be taken from the leaf-dealer's book. At the end of the fourth quarter the duplicate book (Form 59), which the dealer is required to keep and return to the collector, will be forwarded to this office in lieu of the transcripts for that quarter.

STATEMENTS OF SALES OF LEAF TOBACCO BY FARMERS AND DEALERS.

Section 27 of the act of October 1, 1890, provides that it shall be the duty of every farmer or planter producing and selling leaf tobacco, on demand of any internal-revenue officer, or other authorized agent of the Treasury Department, to furnish said officer or agent a true and complete statement, verified by oath, of all his sales of leaf tobacco, the number of hogsheads, cases, or pounds, with the name and residence, in each instance, of the person to whom sold, and the place to which it is shipped. And every farmer or planter who willfully refuses to furnish such information, or who knowingly makes false statements as to any of the facts aforesaid, shall be guilty of a misdemeanor, and shall be liable to a penalty not exceeding five hundred dollars.

Section 3359, Revised Statutes, requires any dealer in leaf tobacco or in any material used in manufacturing tobacco or snuff, on demand of any officer of internal revenue, to render a true and complete statement, under oath, of the quantity and amount of such leaf tobacco or material sold or delivered to any person named in such demand; and provides that in case of refusal or neglect to render such statement, or if there is cause to believe such statement to be incorrect or fraudulent, the collector shall make an examination of persons, books, and papers in the same manner as in other cases of frauds and evasions.

SMALL SALES OF LEAF TOBACCO TO MANUFACTURERS OF CIGARS.

Where a leaf-dealer or manufacturer of tobacco or cigars sells to any qualified manufacturer of cigars leaf tobacco in quantities less than the original package, for use in his own manufactory exclusively, all such

sales, if made by a person qualified as a leaf dealer, must be entered in his Government book; if made by a tobacco or cigar manufacturer they must be reported each month to the collector in order to obtain proper credit therefor. Otherwise the manufacturer would be held to have used the same in his own manufacture of tobacco or cigars, and would be required to render an account of the same in manufactured products, and pay the tax as for tobacco or cigars sold or removed without proper stamps.

LIABILITY OF LEAF-DEALERS.

Section 3360, Revised Statutes, as amended, declares that every dealer in leaf tobacco shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not more than one year, who willfully neglects or refuses to keep the books therein provided for, and in the manner which shall be prescribed by the Commissioner of Internal Revenue, or to transfer to the collector of his district, as therein provided, the duplicate copy containing his daily transactions.

RETAIL DEALERS IN LEAF TOBACCO.

Every retail dealer in leaf tobacco must register with the collector of the district his name or style, place of residence, trade or business, and the place where such trade or business is to be carried on, and a failure so to register shall subject such person to a penalty of fifty dollars.

The retail dealer in leaf tobacco, as defined by the statute, is any person whose business it is to sell leaf tobacco in quantities less than an original hogshead, case, or bale, or who sells directly to consumers, or to persons other than the following three classes of purchasers, viz: 1. Dealers in leaf tobacco; 2. Manufacturers of tobacco, snuff, or cigars; 3. Persons who purchase in original packages for export.

Retail dealers in leaf tobacco are required to register for each place where they do business, and such business is confined to the place of registry. They can not peddle leaf, or do business as a peddler.

A person may qualify both as a dealer in leaf tobacco and a retail dealer in leaf tobacco, and do business as both in the same premises, but keeping separate and distinct the several books required. But he can not do business as either a dealer or retail dealer in leaf tobacco in a tobacco or cigar factory.

A retail dealer in leaf tobacco may put up natural leaf, simply dried and cured, in packages for sale to consumers, provided he does not change or manipulate it in any way. (See Circular 367.)

RETAIL DEALERS IN LEAF TOBACCO TO KEEP BOOKS.

Retail dealers in leaf tobacco are required also to keep a book (Form 149) and daily to make entries thereon of their purchases and sales. This book is to be open at all times for the inspection of any revenue officer.

DEALERS IN MANUFACTURED TOBACCO.

Every person whose business it is to sell, or offer for sale, manufactured tobacco, snuff, or cigars, is declared to be a dealer in manufactured tobacco. Persons engaged in this business are not required to register.

Section 31 of the act of October 1, 1890, provides that—

No manufactured tobacco shall be sold or offered for sale unless put up in packages and stamped as prescribed in this chapter, except at retail by retail dealers from packages authorized by section thirty-three hundred and sixty-two of the Revised Statutes; and every person who sells or offers for sale any snuff or any kind of manufactured tobacco not so put up in packages and stamped shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than two years.

Dealers in manufactured tobacco are therefore authorized to sell manufactured tobacco and snuff from all packages put up, stamped, and branded in the manner prescribed by law. The retail dealer must not withdraw the goods from the stamped package until the sale is made. The stamp upon the package from which he is retailing goods is *prima facie* evidence that the tax on such goods has been paid. The absence of such stamp is *prima facie* evidence of the nonpayment of the tax. Dealers in all cases should preserve the evidence which the stamp furnishes that the tax has been duly paid on the goods they are selling. The presumption is, that dealers in *tax-paid* goods will do so.

Dealers in manufactured tobacco are not authorized, nor will they be allowed, to cut a legal package in two, severing the stamp, and to sell the divided portions of the package, nor to retail tobacco from such a divided package.

DEALERS CAN NOT SELL UNSTAMPED GOODS.

Since the 1st day of July, 1869, all tobacco, snuff, and cigars of every description, whether imported from foreign countries or of domestic manufacture, have been and are required to be put up in packages of definite and limited sizes, which are to have stamps indicating the payment of the tax properly affixed and canceled before the goods can be legally sold or offered for sale. And to sell or offer to sell such goods not so packed and stamped is an offense for which severe penalties are provided.

Dealers in tobacco, snuff, and cigars are in a measure held responsible

for the failure of manufacturers or importers to properly pack and stamp their goods before they are placed upon the market, at least to this extent: they are forbidden to use, to sell, to offer for sale, or to have in possession goods manufactured subsequent to July 20, 1868, which are not put up in proper packages, and which are without proper stamps affixed and canceled. (See penalties imposed by sections 3374, 3397, and 3404, Revised Statutes.)

Dealers, therefore, before purchasing tobacco, snuff, or cigars, should carefully examine such goods, not only to see that the proper stamps are attached, but also to see that the stamps are affixed and canceled as prescribed by the Commissioner of Internal Revenue. By so doing they may often save their goods from seizure or detention, and themselves from inconvenience and loss, even where there is no fraudulent intent on their part.

SELLING TOBACCO AND CIGARS ON RAILROAD TRAINS.

Persons traveling in railroad cars for the purpose of selling tobacco and cigars for the accommodations of passengers, and selling exclusively within the cars composing the train, are held to be dealers and not peddlers. The same rule applies to persons selling tobacco and cigars for the accommodation of passengers traveling on steamboats or other vessels navigating inland waters, and engaged in the business of carrying passengers.

PEDDLERS OF TOBACCO.

Any person who sells or offers to sell and deliver manufactured tobacco, snuff, or cigars, traveling from place to place in the town or through the country, is regarded as a peddler of tobacco.

Agents of manufacturers who take orders merely, or sell by samples but do not deliver the goods, are not liable as peddlers. But such samples must be properly stamped, etc., or distributed from the stamped packages.

The person who actually travels on foot, by public conveyance, or with one or more horses, mules, or other animals, from place to place, in the town or through the country, and sells or delivers the goods, whether he owns the wagon and team, and the tobacco, snuff, or cigars, and sells the same on his own account, or is simply the employé of the manufacturer or other person who owns the goods and the team, or either of them, while he has no interest in the sales he effects beyond his stipulated wages, is the peddler, and will be required to furnish the statement, give the bond, register his business, and perform the other duties required of peddlers.

The bond may be given by a firm, and a certificate may be issued to and in the name of a firm to peddle manufactured tobacco. Under such a certificate any member of the firm can travel and make sales and deliveries from their peddler's wagon. But no agent or employé of the firm can drive the wagon and make sales and deliver tobacco under a certificate so issued. The registering as peddler does not authorize a person to sell at retail, or in quantities less than an original stamped package, put up and stamped as all manufactured tobacco, snuff, and cigars are required to be put up and stamped by the manufacturers thereof.

Section 3381, Revised Statutes, as amended by section 28 of the act of October 1, 1890, provides as follows:

Every peddler of tobacco, before commencing, or, if he has already commenced, before continuing to peddle tobacco, shall furnish to the collector of his district a statement accurately setting forth the place of his residence, and, if in a city, the street and number of the street where he resides, the State or States through which he proposes to travel; also whether he proposes to sell his own manufactures or the manufactures of others, and, if he sells for other parties, the person for whom he sells. He shall also give a bond in the sum of five hundred dollars, to be approved by the collector of the district, conditioned that he shall not engage in any attempt, by himself, or by collusion with others, to defraud the Government of any tax on tobacco, snuff, or cigars; that he shall neither sell nor offer for sale any tobacco, snuff, or cigars, except in original and full packages, as the law requires the same to be put up and prepared by the manufacturer for sale, or for removal for sale or consumption, and except such packages of tobacco, snuff, and cigars as bear the manufacturer's label or caution notice, and his legal marks and brands and genuine internal-revenue stamps which have never before been used.

PEDDLER'S STATEMENT.

By the above quoted act it is made the duty of every peddler of tobacco, before commencing, or, if already commenced, before continuing to peddle tobacco, to furnish to the collector of his district a statement (Form 95) giving the following particulars:

1. Place of residence; if in a city, the street and number.
2. The State or States through which he proposes to travel.
3. Whether he proposes to sell his own manufactures or the manufactures of others, and if he sells for other parties, the name or names of the same.

PEDDLER'S BOND.

Section 3381, Revised Statutes, as amended, makes it the duty of every peddler of tobacco, snuff, or cigars to give a bond (Form 111), to be approved by the collector of his district, in the penal sum of five hundred dollars.

The conditions of this bond are those prescribed in the statute and printed in the form above referred to.

PEDDLER REQUIRED TO HAVE HIS COLLECTOR'S CERTIFICATE.

Upon his furnishing the proper statement, filing the required bond, and registering his business, the collector is authorized and directed to

furnish to the peddler of tobacco a certificate of registry, Form 285 (Form 151 obsolete), which he is required to exhibit on demand of any internal-revenue officer.

PEDDLER'S SIGN.

Every peddler is required to have a sign affixed to his wagon, which must be in a conspicuous place, and upon the outside of the wagon, on which there must be painted in oil colors, or gilded, his full name, his business (peddler of tobacco), and the collection district from which he obtained his certificate. (Section 3382, Revised Statutes.)

PEDDLERS CAN ONLY SELL IN ORIGINAL PACKAGES.

By section 3384, Revised Statutes, peddlers are not allowed to break packages of tobacco and retail therefrom, but all sales made by them, of either tobacco, snuff, or cigars, must be in original and unbroken packages as the same were put up and prepared by the manufacturers thereof for sale or for removal for sale or consumption.

LIABILITIES OF PEDDLERS.

The act of October 1, 1890, provides:

SEC. 29. That section thirty-three hundred and eighty-three, Revised Statutes, as amended by section fifteen of the act of March first, eighteen hundred and seventy-nine, be, and the same is hereby, amended by striking out all of said section and by substituting in lieu thereof the following:

"Every peddler of tobacco shall obtain a certificate from the collector of his collection district, who is hereby authorized and directed to issue the same, giving the name of the peddler, his residence and the fact of his having filed the required bond; and shall on demand of any officer of internal revenue produce and exhibit his certificate. And whenever any peddler refuses to exhibit his certificate, as aforesaid, on demand of any officer of internal revenue, said officer may seize the horse or mule, wagon, and contents, or pack, bundle, or basket, of any person so refusing; and the collector of the district in which the seizure occurs may, on ten days' notice, published in any newspaper in the district, or served personally on the peddler, or at his dwelling house, require such peddler to show cause, if any he has, why the horses or mules, wagons, and contents, pack, bundle, or basket so seized shall not be forfeited. In case no suffieient cause is shown, proceedings for the forfeiture of the property seized shall be taken under the general provisions of the internal-revenue laws relating to forfeitures. Any internal-revenue agent may demand production of and inspect the collector's certificate for peddlers, and refusal or failure to produce the ssame, when so demanded, shall subject the party guilty thereof to a fine of not more than five hundred dollars and to imprisonment for not more than twelve months.

In addition to the penalties and forfeitures as provided above, a fine of not less than one hundred dollars nor more than five hundred dollars, or imprisonment for not less than six months nor more than one year, or both, at the discretion of the court, are imposed by section 3384, Revised Statutes, upon a peddler who shall have committed either of the following offenses, viz:

1. Who shall be found peddling tobacco, snuff, or cigars, without having given the bond, or without having previously obtained the collector's certificate.

2. Who shall break original packages and retail therefrom, or sell tobacco, snuff, or cigars, otherwise than in original and full packages as put up by the manufacturer.

3. Who shall have in his possession any internal-revenue stamp or stamps which have been removed from any box or other package of tobacco, snuff, or cigars.

4. Who shall have in his possession any empty or partially-emptied box or other package which has been used for tobacco, snuff, or cigars, the stamp or stamps on which have not been destroyed.

5. Or who shall fail to have affixed to his wagon, in a conspicuous place, a sign with his name painted in full, his business, and his collection district.

TAX ON TOBACCO AND SNUFF.

The act of October 1, 1890, provides:

SEC. 30. That on and after the first day of January, eighteen hundred and ninety-one, the internal taxes on smoking and manufactured tobacco shall be six cents per pound, and on snuff six cents per pound.

This tax is to be levied and collected upon tobacco and snuff manufactured and sold, or removed for consumption or use.

1. Section 4 of the act of March 3, 1883, provides that all snuff manufactured of tobacco or any substitute for tobacco—ground, dry, damp, pickled, scented, or otherwise—of all descriptions, when prepared for use, shall be taxed. Section 3368, Revised Statutes, provides that snuff flour, when sold or removed for use or consumption, shall be taxed as snuff, and shall be put up in packages and stamped in the same manner as snuff.

2. The tax is imposed on all chewing and smoking tobacco, fine-cut, cavendish, plug, or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or, in any manner, other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine-cut shorts and refuse scraps, clippings, cuttings, and sweepings of tobacco.

3. It will be seen by the provisions of section 3368 as amended and by the ninth subdivision of section 3244, that the definition of a manufacturer of tobacco or snuff is given with great particularity, and collectors will be especially careful to see that these provisions are observed. Every form of tobacco must be considered as manufactured, that is in any manner changed after being cured upon the farm where it is produced, or any deviation from the commercial methods that existed prior to the passage of the act of October 1, 1890, and all treatment or manipulation of tobacco except what is absolutely necessary for curing upon the farm or in the sheds of the producer, is a process of manufacture, and brings it within the definition of a manufactured article.

STAMPS FOR TAX ON TOBACCO AND SNUFF.

Section 3369, Revised Statutes, provides that the Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps for payment of the tax on tobacco and snuff.

Such stamps have been prepared, and tobacco and snuff of all descriptions, not only that manufactured and removed from the manufactory or place where made, but all imported tobacco and snuff from foreign countries, before being withdrawn from an export bonded warehouse, or sold or offered for sale under any circumstances, must be packed and stamped.

There is no exception to this rule or requirement in regard to sales made by a manufacturer at the place of manufacture, or withdrawals of imported manufactured tobacco from a customs bonded warehouse for sale.

DENOMINATION AND CLASS OF STAMPS.

Section 3446, Revised Statutes United States, as amended by the act of March 1, 1879, authorizes the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to establish and from time to time alter or change the form, style, character, material, and device of any stamp, mark, or label used under any provision of the laws relating to internal revenue; and to prescribe how such stamps shall be attached, protected, removed, canceled, obliterated, and destroyed; and to make all needful regulations relating thereto.

By virtue of the authority thus granted, the following denominations of stamps for tobacco, snuff, cigars, and cigarettes have been prepared, and their use is hereby prescribed:

STAMPS FOR TOBACCO.

1. Strip-stamps, issued in sheets, of the denominations of 1, 2, 3, 4, 8, and 16 ounces. These stamps are to be used on all legal packages of cut and granulated tobacco, shorts, clippings, cuttings, and sweepings, and may be used on cavendish, plug, and twist tobacco.

2. Stamps, issued in sheets, of the denominations of one half, 1, 2, 3, and 4 pounds. These stamps must be used only on cavendish, plug, and twist tobacco.

3. Registered stamps, issued in books, of the denominations of 5, 10, 20, 30, 40, 50, and 60 pounds, with four coupons, representing 1 pound each, attached to the 5-pound stamp; and nine coupons, representing 1 pound each, attached to stamps of all other denominations. These stamps are to be used on cavendish, plug, and twist tobacco, and the 10, 20, 40, and 60 pound stamps, without the coupons, on packages of fine-cut chewing tobacco.

4. A registered stamp, issued in books, for tobacco and snuff intended for export.

STAMPS FOR SNUFF.

Stamps, issued in sheets, of the denominations of one-half, 1, 2, 3, 4, 6, 8, and 16 ounces, and 1, 2, 3, 4, and 5 pounds, and registered stamps, in books, without coupons, of the denominations of 10 and 20 pounds.

Stamps for snuff must never be used on packages of tobacco, and *vice versa.*

STAMPS FOR CIGARS.

1. Strip-stamps, issued in sheets, for boxes containing 12, 13, 25, 50, 100, 200, 250, and 500 cigars, respectively. These stamps are to be used upon both domestic and imported cigars, and may be used on cigarettes weighing *over* 3 pounds to the thousand.

2. A registered stamp for cigars intended for export.

STAMPS FOR CIGARETTES.

Stamps, in sheets, for packages or parcels containing 10, 20, 50, and 100 cigarettes, respectively. These stamps must be used on all cigarettes weighing less than 3 pounds to the thousand, and will be furnished to collectors upon requisition, and, with the exception of the exportation stamp, will be sold to manufacturers at their full value as indicated by the tax on the quantity represented by each. The sales of these stamps must be reported monthly on Form 76, and also on Form 51, and are not to be entered on Form 23*a*, nor receipted for on Form 23½.

(Stamps for cigarettes weighing over 3 pounds to the thousand are not kept in stock and will only be issued upon special requisition, as the cigar stamp may be used in its stead.)

STAMPED FOIL WRAPPERS.

In addition to the above-described stamps, a contract has been made for printing ounce stamps upon tin-foil wrappers.

Accordingly, collectors will procure from such manufacturers of tobacco in their respective districts as may desire to make use of the stamped tin-foil wrappers, estimates of the quantities they will from time to time severally require for use, and will then forward to this office a requisition for the stamped wrappers. The contractor will then be directed to print the requisite number for each manufacturer, and hold the same subject to the order of the collector of the district in which the manufactory is situated. No order will be issued by the collector to any manufacturer except upon the payment of the full amount of tax represented by the stamps.

The printing of the stamps will be at the expense of the Department, but the cost of the foil and any additional printing that may be desired must be paid for by the manufacturer upon terms to be agreed upon by him with the printer.

Collectors will report each month on Form 76 the number of the

stamped wrappers of each kind for which they have made requisitions on this office, the amount collected during the month, and the balance remaining on hand on the last day of the month.

STAMPS—HOW TO BE USED.

In the preparation of suitable stamps manufacturers of tobacco have been freely consulted, and to "indicate the weight" such denominations have been decided upon as would enable manufacturers in most cases to cover the amount of tax due on the package by a single stamp.

All packages of tobacco containing 5 pounds or upward should have affixed a registered stamp, and the stamp must be of a denomination corresponding with the net weight of the package when the net weight of the package is an even number of pounds, and when such package can be fully covered by a single stamp. If the net weight of the package is such that no single stamp will suffice for the payment of the tax due thereon, then the manufacturer will affix a stamp of that denomination which approaches nearest to the net weight of the package, and affix one, and, if necessary, more smaller stamps to fill up the complement and cover the amount of tax due.

For example, packages containing from 5 to 69 pounds can be and should be covered by a single stamp, by using coupon stamps when the weight of the packages is neither 10 pounds nor a multiple of 10.

Upon packages containing more than 69 pounds, one or more smaller stamps, sufficient to cover the amount of tax due, must be affixed in addition to the larger stamp. A 70-pound package can be covered by a 60 and a 10 pound registered stamp, an 80-pound package with a 60 and a 20 pound stamp, and, in like manner, it is believed that almost every package in use which does not contain a fraction can be covered by two stamps.

MODE OF AFFIXING STAMP.

Under the authority of sections 3369 and 3446, Revised Statutes, it is hereby prescribed that stamps shall be affixed to packages of tobacco, snuff, and cigars in the following manner, viz:

1. Upon all kegs, drums, pails, half barrels, and barrels of fine-cut chewing tobacco the stamp shall be placed across the staves, and be attached to as many staves as possible, between the first and second tier of hoops.

2. Upon 10 or 20 pound boxes of fine-cut chewing, and upon all boxes and caddies of plug or other descriptions of chewing tobacco, the stamp shall be affixed over one corner or angle of the box or caddy, at equal distances from each end, attaching about equally to each side. And upon all such packages a groove one-eighth of an inch deep shall be made to admit the stamp and prevent its being torn or rubbed off by transportation. If two serial stamps are used upon the same box,

the second stamp shall be affixed in the same manner, only placed on opposite sides of the box.

3. Strip stamps, whether used for packages of smoking tobacco, fine-cut chewing, snuff, or cigars, must be so attached on the outside as to effectually seal the package and render it impossible to open the same or remove its contents without destroying or breaking the stamps.

4. The small stamps for cut tobacco and snuff must in like manner be so placed upon the package as to insure the destruction of the stamp upon opening the package.

The stamps are to be externally affixed to the packages by using an adhesive material that will cause them to stick to the wood, paper, or other package securely and permanently. After the stamps on wooden packages have become dry, and the cancellation made as hereinafter described, they must be varnished over thoroughly twice, allowing a short interval for the first coating to set, but not so as to obscure or obliterate the impressions upon the stamp.

The following recipes for cheap and practical paste and varnish, furnished to this office by a manufacturer who has fully tested them, are hereby prescribed for use:

For paste: Dissolve 1 pound of gum arabic in 1¾ pints of boiling water, add from 2 to 4 ounces of acetic acid, and keep it corked when not in use. Apply evenly with a small brush to the stamp, or notice, and press it firmly upon the wood with a clean piece of white paper between the stamp and the hand.

For varnish: Place in a bottle of sufficient size one-half pound of bleached gum shellac, broken fine, and add strong alcohol. Shake occasionally until entirely dissolved, and keep it corked to prevent evaporation. Should the varnish at any time become too thick, add a small quantity of alcohol.

MODE OF CANCELLATION.

By virtue of the authority conferred by section 3369 and 3446, Revised Statutes, the following mode of cancellation for all stamps used for payment of the tax on tobacco, snuff, and cigars, from and after this date, is prescribed:

1. The small stamps for cut tobacco and snuff, in packages of 1 ounce and 2 ounces, and the stamped foil and paper wrappers must be canceled by writing or imprinting upon each stamp the manufacturer's name and the date of cancellation, to include month and year.

2. Other strip stamps for tobacco and snuff will be canceled in the same manner, and, in addition thereto, each strip stamp must be so affixed on the package that in opening the same or using the contents thereof the stamp shall be effectually destroyed or broken.

3. Stamps for fine-cut chewing tobacco in 10, 20, 40, and 60 pound packages, and stamps for cavendish, plug, and twist, including all the

registered stamps with serial numbers, will be canceled by the manufacturer writing his name upon the stamp in the blank space left for that purpose (or by affixing such name by a hand stamp, when special permit to use such hand stamp has been or may be granted by the Commissioner), and also by writing the date when the stamp was applied, or used in addition to the cancellation prescribed in the statute, to wit, sinking a portion of the stamp into the wood with a steel die.

4. The strip stamps for cigars in boxes will be canceled by the use of a stencil plate of brass or copper, in which there shall be cut not less than six waved lines long enough to extend not less than three quarters of an inch beyond each side of the stamp on the box, or, if found to be more convenient, the waved lines upon the box and stamp may be made with a branding iron instead of a stencil plate. In addition to the waved lines, the manufacturer will write or imprint on each stamp his registered number, State, collection district, and date of cancellation.

5. The stamps on packages or parcels of cigarettes will be so affixed that the opening of the package or using the contents will effectually break or destroy the stamp. When not so affixed cancellation will be required by the manufacturer's writing or imprinting on the stamp his registered number and the date of use.

6. For the cancellation of custom stamps on boxes of imported cigars. the Secretary of the Treasury, in Customs Regulations, has directed that the inspecting officer cancel the same by placing thereon his name, the date, and the name of the importing vessel. The internal-revenue stamps, to be attached before the cigars are withdrawn from the customs warehouse, will be canceled in the same manner as is prescribed in said original regulations for the cancelation of stamps on domestic cigars, substituting the importer's or owner's name for the registered number,

For the effectual cancellation of all stamps on packages of ounces, the Commissioner relies mainly upon their being so affixed externally to the packages as to render it impracticable to remove them entire, or to permit the contents of the package to be withdrawn, without destroying the stamp.

The strip stamps for cut and smoking tobacco are made sufficiently long to pass over both ends of the package and turn the opposite angles, thus effectually sealing the package, and they must be so affixed that the cancellation is exposed; and when applied to bags which only open at one end, they must be affixed so as to effectually close that end.

CANCELING DIES.

By virtue of the authority conferred by section 3445 of the Revised Statutes the Commissioner will furnish, as heretofore, steel dies for the cancellation of all stamps used on wooden packages or packages made partly of wood and partly of other materials, containing tobacco. These dies will be forwarded to the several collectors of internal revenue and will be loaned by them to manufacturers of tobacco upon application therefor.

Collectors will keep an account of all dies intrusted to them, and a record of names of all persons to whom they are furnished (furnishing them only to legally authorized manufacturers), and the date of their delivery. Whenever any die shall have become broken or damaged in the hands of any manufacturer, so as to be unfit for use, or whenever any person receiving such Government die shall have no longer any legitimate use for the same, it must be returned to the collector and the person accredited therefor.

The law makes it imperative upon every manufacturer of tobacco putting up his tobacco in packages as heretofore described to use this die, and no stamps on such packages will be regarded as properly canceled, and the packages will be liable to seizure, whenever found, unless the stamps are canceled with a Government die and in the manner hereinafter named, to wit, the stamp must be so canceled that a portion of every stamp shall be *driven into* and *lodged within the wood* of the package.

In effecting such cancellation the die will be required to be applied twice to every stamp upon the package, once in the place on the stamp marked "reserved for cancellation," and a second time over and upon the vignette of the stamp.

The importance to be attached to a proper cancellation of all stamps has already been shown by the severe fines and penalties imposed upon any person who shall remove from any manufactory, or place where tobacco, snuff, or cigars are made, any such goods without stamps affixed and properly canceled, and also the fines and penalties imposed upon any person who shall sell, or offer for sale, or have in his possession any tobacco, snuff, or cigars the stamps upon which are *not properly canceled.* The law demands a proper cancellation, and says the Commissioner shall prescribe the mode. When, therefore, the Commissioner has prescribed such a mode, it has all the force and authority of law, and no person is at liberty to disregard such prescribed mode, or substitute some other therefor. The interest of the Government, and the safety and protection of all who deal in tobacco, snuff, or cigars, require that manufacturers should properly affix and cancel all stamps. And local revenue officers of every grade will see that these regulations, in this respect particularly, shall be enforced, as heretofore gross and palpable neglect to properly cancel stamps has prevailed throughout the country.

SALE OF STAMPS.

Stamps for the payment of tax on tobacco, snuff, and cigars are furnished to collectors of internal revenue requiring the same.

Collectors are to keep on hand at all times a supply equal in amount to three months' sales of tobacco and snuff stamps, and two months' sale of cigar stamps, which can be sold only to the persons mentioned in sections 3369 and 3395, Revised Statutes, respectively. (See circular 361.)

Collectors are required to keep an accurate account of all stamps intrusted to them, and must deposit to the credit of the Treasurer of

the United States their value in money. They are positively forbidden to issue any stamp or stamps indicating the payment of any internal-revenue tax before payment in full therefor has been made. (See section 1, act of March 1, 1879.)

Collectors are authorized to sell stamps to the following parties only *in their own district:* (1) to manufacturers who have given bonds as required by law; (2) to owners or consignees of tobacco or snuff, or importers of cigars, upon the requisition of the proper customhouse officer; and (3) to persons required by law to affix the same to tobacco, snuff, and cigars lawfully on hand unstamped.

As stamps are only intrusted to collectors for sale, and they are limited in making sales to the three classes of persons above named, and as no sale of stamps for the Government can be made for any less price than the value indicated by the denomination of the stamp, the sale of stamps by any other person than the collector is deemed to be illegal. Manufacturers and dealers are, therefore, cautioned to purchase their stamps only of collectors in their respective districts.

MODE OF KEEPING STAMP ACCOUNT.

Sections 3369 and 3395 of the Revised Statutes declare that every collector shall keep an account of the number, amount, and denominate values of tobacco, snuff, or cigar stamps sold by him to each manufacturer and to other persons described in said sections.

The keeping of this account in the manner prescribed in these sections is deemed to be of so much importance as a check upon manufacturers in connection with their monthly returns, required to be made by them of products and sales, that this office will hereafter require collectors in all cases to keep these accounts in ledger form in the book provided for the purpose, Record No. 47, opening a separate account with every manufacturer or other person purchasing stamps.

To facilitate the keeping of these accounts collectors are hereby instructed to deliver stamps only upon the written order of the person entitled to purchase the same, made on blank forms, which will be furnished by this office to collectors for such orders.

In signing his name the applicant for stamps will state whether he is a manufacturer, importer, or dealer in manufactured tobacco or cigars.

Collectors will enter upon their ledgers, under each purchaser's name, the number, amount, and denominate values of stamps delivered on said orders. These orders will be kept on file in the collector's office, in case they may be needed for future reference.

Whenever the manufacturer's stamp account does not show a purchase of stamps corresponding with his returns of products and sales, it will be the duty of the collector *immediately* to make or cause to be made an investigation, in order to ascertain the cause of the deficiency, and report the result of such examination to this office.

DESTRUCTION OF THE STAMPS ON PACKAGES WHEN EMPTIED.

Section 3376, Revised Statutes, makes it the duty of every person who empties any stamped box, bag, vessel, wrapper, or envelope of any kind containing tobacco or snuff to destroy the stamp or stamps thereon. And any person who willfully neglects or refuses to do so is liable to be fined fifty dollars and imprisoned not less than ten days nor more than six months.

This provision of law applies not only to retail dealers who empty wooden packages by retailing their contents, but also to every person who purchases tobacco for his own use and empties such packages. He must destroy the stamp or stamps thereon.

To sell or give away, buy, or accept any empty stamped box, bag, vessel, wrapper, or envelope of any kind, or the stamp or stamps taken from any such empty box, bag, vessel, wrapper, or envelope of any kind, renders a person liable, on conviction, to a fine of one hundred dollars, and imprisonment for not less than twenty days and not more than one year.

Any manufacturer or other person who puts tobacco or snuff into any stamped box, bag, vessel, wrapper, or envelope, the same having been emptied, or partially emptied, or who has in his possession, or affixes to any box or other package any stamp which has been previously used, or who sells or offers for sale any box or other package of tobacco, snuff, or cigars, having affixed thereto any fraudulent, spurious, imitation, or counterfeit stamp, or stamp that has been previously used, or who sells from any such fraudulently stamped box or package, or has in his possession any box or package as aforesaid knowing the same to be fraudulently stamped, renders himself liable, for each offense, to be fined not less than one hundred dollars nor more than five hundred dollars, and to be imprisoned for not less than one nor more than three years.

The enforcement of the above section and other provisions of law relative to the destruction of all revenue stamps as soon as the packages to which they were attached shall have been emptied is especially enjoined upon all revenue officers.

STAMPING TOBACCO, SNUFF, OR CIGARS SOLD UNDER DISTRAINT OR BY ORDER OF COURT.

Section 3369, Revised Statutes, provides:

That such stamps as may be required to stamp tobacco, snuff, or cigars, sold under distraint by any collector of internal revenue, or for stamping any tobacco, snuff, or cigars which may have been abandoned, condemned, or forfeited, and sold by order of court or of any Government officer for the benefit of the United States, may, under such rules and regulations as the Commissioner of Internal Revenue shall prescribe, be used by the collector making such sale, or furnished by a collector to a United States marshal, or to any other Government officer making such sale for the benefit of the United States, without making payment for said stamps so used or delivered;

and any revenue collector using or furnishing stamps in manner as aforesaid, on presenting vouchers satisfactory to the Commissioner of Internal Revenue, shall be allowed credit for the same in settling his stamp account with the Department: *And provided further*, That in case it shall appear that any abandoned, condemned, or forfeited tobacco, snuff, or cigars, when offered for sale, will not bring a price equal to the tax due and payable thereon, such goods shall not be sold for consumption in the United States; and upon application made to the Commissioner of Internal Revenue, he is authorized and directed to order the destruction of such tobacco, snuff, or cigars by the officer in whose custody and control the same may be at the time, and in such manner and under such regulations as the Commissioner of Internal Revenue may prescribe.

For the purpose of carrying out the above provisions of law, and by virtue of the authority therein conferred, the following rules and regulations are prescribed:

In all cases, tobacco, snuff, or cigars, whether imported or of domestic manufacture, sold by any officer or agent of the Government for the benefit of the United States, must, before being delivered, have affixed to the packages containing the same proper internal-revenue stamps.

When abandoned, condemned, or forfeited tobacco, snuff, or cigars, are offered for sale, if such goods will not bring a price equal to the tax, viz, if tobacco or snuff, six cents per pound; or, if cigars, three dollars per thousand; or, if cigarettes, fifty cents per thousand, then the law forbids the sale to be made for consumption in the United States. Such goods may, however, be sold for export to a foreign country. In case a purchaser is found who will export the goods, then the sale may be made—the purchaser affixing the proper revenue stamps, and, after exportation, filing his claim for drawback under the provisions of section 3386, Revised Statutes, as amended by the act of March 1, 1879, and the regulations of the Commissioner prescribed for drawback on tax-paid tobacco, snuff, or cigars, when exported.

SALE OF TOBACCO, ETC., BY A COLLECTOR, UPON DISTRAINT.

Whenever it shall become necessary for any collector of internal revenue to sell, upon distraint, tobacco, snuff, or cigars, if the same are not packed as the law requires, he will, before the delivery of the goods, cause them to be packed, marked, and branded, and out of the proceeds of the sale he will deduct the expense of packing, marking, and branding, etc., and also a sufficient sum to pay for the stamps required to be affixed to the packages, together with such other expenses as may be attendant upon such sale. In case the goods do not bring a sufficient sum to cover the entire expenses as thus stated, including the tax, then he will, after paying all other expenses, appropriate the balance for the purchase of stamps. Having exhausted such balance in the purchase of stamps, whatever stamps may be still required the collector will furnish, and thereupon forward to this office an exact and detailed account of the whole transaction, giving the kind and quantity of goods sold, the sum total realized from the sale, the expenses of sale, with each

separate item thereof, including packing, etc. (if the goods required packing), the value of the stamps used for stamping the goods, and the amount and value of stamps used for which payment has not been made, and for which the collector asks that credit may be allowed him in settling his stamp account with the Department. This account must be sworn to by the officer cognizant of the facts, whether he be the collector or one of his deputies, and forwarded to the Commissioner of Internal Revenue.

STAMPING TOBACCO, ETC., SOLD FOR THE BENEFIT OF THE UNITED STATES BY A MARSHAL OR A GOVERNMENT OFFICER OTHER THAN AN INTERNAL-REVENUE OFFICER.

Whenever any United States marshal, or other Government officer, shall require stamps for stamping tobacco, snuff, or cigars which may have been abandoned, condemned, or forfeited and sold by order of court, or by order of any Government officer authorized to make such sale, he shall make application to the collector of the district within which the sale has been made for the proper revenue stamps required for stamping such tobacco, snuff, or cigars.

Such application must be accompanied by a detailed statement showing the kind and quantity of goods sold, the amount realized from the sale, and also by the original order of the court, or officer by whose order the sale was made. If the collector is satisfied that the sale was duly authorized, and was made for the benefit of the United States, and that the sum of money realized therefrom was equal to the amount of tax due and payable thereon, he will furnish the stamps, taking therefor the receipt of the officer to whom the stamps were delivered. Said receipt, together with the application, and other papers furnished him in the case, the collector will forward to the Commissioner of Internal Revenue with his request that credit be allowed him for the stamps so delivered in settling his stamp account with the Department.

WHO ARE TO AFFIX AND CANCEL STAMPS.

When stamps are affixed and canceled before removal of the packages from the manufactory, the work of affixing and canceling must be done or caused to be done by the manufacturer.

When tobacco or snuff in bond is to be withdrawn from a customs bonded warehouse, after the tax has been paid thereon, the proper stamps must be affixed and canceled under the supervision of the storekeeper.

DESTRUCTION OF TOBACCO, SNUFF, AND CIGARS.

Abandoned, condemned, or forfeited tobacco, snuff, or cigars may be destroyed by order of the Commissioner whenever they will not sell for a sum of money equal to the tax due and payable thereon.

Officers of the Government having such goods in their custody, which they have offered for sale, and have been unable to find purchasers who would pay for them a sum equal to the tax, and who desire permission to destroy the same, will make application therefor to the Commissioner. In making such application they will give some history of the goods, and state by what means they have come into their custody, also the kind, quantity (or number of cigars), their present condition, and what efforts have been made to sell them, and if it shall appear to the Commissioner to be for the interest of the Government that the goods shall be destroyed, he will give an order for such destruction.

REWORKING RETURNED GOODS.

The Commissioner of Internal Revenue has no authority for making an allowance for or redeeming stamps used on tobacco, snuff, cigars, or cigarettes which have been removed from the place of manufacture for consumption or use and thereafter have been found to be unmerchantable. The fact that such goods are found *after* removal to be unsalable does not entitle the manufacturer to a refund of the tax. The Government does not insure goods from spoiling, nor can an allowance be made for the *laches* of the manufacturer.

If unmerchantable goods are received back into the factory and reworked to make them salable, they must be accounted for as material. The manufacturer must again stamp them with new stamps upon removal for consumption or use, but no allowance can be made for the stamps so used.

IMPORTED ARTICLES NOT TO BE STAMPED UNLESS WITHDRAWN FOR CONSUMPTION.

The Secretary of the Treasury has decided that manufactured tobacco, snuff, and cigars imported from foreign countries are not required to have the internal-revenue stamps affixed thereto and canceled unless said articles are withdrawn from the customhouse for consumption or sale in the United States.

Sections 3377 and 3402, Revised Statutes, provides that all manufactured tobacco and snuff, and all cigars, imported from foreign countries, shall have the proper stamps affixed and canceled by the owner or importer thereof while such articles are in the custody of the proper customhouse officers. Stamps for this purpose will be sold to the owners or consignees of such imported articles by the collector of internal revenue for the district in which the customhouse is situated, upon the requisition of the proper customhouse officer having the custody of such articles, as directed in section 3369, Revised Statutes, The requisition will be substantially in the following form, viz:

OFFICE OF THE COLLECTOR OF CUSTOMS,
———, ———, 188–.

SIR: This is to certify that the following-described articles, viz:

Marks.	No. of packages.	Import vessel.	Date of importation.	Description of merchandise.	Thousands.	Pounds.

are now in my custody, and you are therefore requested to sell and deliver to Mr. ——— ———, the owner or consignee thereof, the proper kind and quantity of stamps to stamp the same, as required by law.

(Signed) ——— ———,
[Collector's seal.]
Collector.

To ——— ———, Esq.,
Collector, ——— *District of* ———.

IMPORTED GOODS WITHDRAWN FOR CONSUMPTION.

All manufactured tobacco, snuff, and cigars imported from foreign countries, in addition to import duties, are made liable to the same taxes as are imposed on like goods manufactured in the United States, and to have the same stamps, respectively, affixed and canceled. Imported tobacco, snuff, and cigars are not required to have affixed to each box or other package a label and caution notice, as provided in the case of domestic manufactured tobacco, etc.

Section 2804, Revised Statutes, authorizes the Secretary of the Treasury to provide suitable stamps to be affixed to all imported cigars after they have been inspected, and before they are allowed to be withdrawn from a public store or bonded warehouse. These are not tax-paid stamps, but only indicate inspection, etc., and when properly filled show the inspector's name, the date of inspection, the port where the entry was made, and the name of the importing vessel. They subserve the same purpose with reference to imported cigars that the label and caution notice answer for domestic cigars. But these import stamps on boxes of cigars must never be mistaken for the internal-revenue stamp unless the words "American goods reimported" are written across the face. They are no more evidence of the payment of the internal-revenue tax imposed *on all imported cigars* than the labels or caution notices on boxes of domestic cigars would be in the absence of proper stamps.

REIMPORTED DOMESTIC CIGARS.

The Secretary of the Treasury has ruled that where domestic cigars are reimported under section 2500, Revised Statutes, the customs stamps

shall be affixed to such cigars properly packed, and there shall be written across the face of the stamps the words "American goods reimported," and the initials of the proper officer of the customs. (See Internal Revenue Record, vol. 27, p. 398.)

REIMPORTED DOMESTIC TOBACCO.

The act of October 1, 1890, provides:

> That when manufactured tobacco which has been exported without payment of internal-revenue tax shall be reimported it shall be retained in the custody of the collector of customs until internal-revenue stamps in payment of the legal duties shall be placed thereon.

The regulations relative to imported goods withdrawn for consumption are made applicable to reimported domestic tobacco.

IMPORTED SCRAPS, CUTTINGS, AND CLIPPINGS.

Section 3377 of the Revised Statutes, as amended by the act of March 1, 1879, provides that "scraps, cuttings, and clippings of tobacco imported from any foreign country may, after the proper customs duty has been paid thereon, be withdrawn in bulk without the payment of the internal-revenue tax, and transferred as material directly to the factory of a manufacturer of tobacco or snuff, or of a cigar manufacturer, under such restrictions and regulations as shall be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury."

The withdrawal of such imported material from the customs warehouse, and the delivery of the same to the manufacturer, will be made under the following regulations:

1. The manufacturer will be required to furnish to the collector of customs evidence that he is a duly authorized and legal manufacturer, and to furnish, in addition to his name or the name of his firm, the number of his factory, the State, and collection district.

2. The manufacturer will give a receipt in duplicate to the collector of customs for the scraps, cuttings, and clippings withdrawn in bulk, which receipt will state the number of cases, bales, or packages, the gross weight, tare, and net weight, and the marks upon the packages. One of these receipts will be sent to the Commissioner of Internal Revenue for his information. The manufacturer, upon the receipt of such scraps, cuttings, and clippings, will make immediately an entry of the same in his manufacturer's book, and report the purchase to his collector in his next monthly report.

Collectors will hold manufacturers to account for all such imported scraps, cuttings, and clippings—whether used as materials for cigars and cigarettes or for smoking tobacco—as stemmed tobacco, and subject to but little, if any, loss or shrinkage in manufacturing. If they are sold without being further manipulated or manufactured, they must be

packed and stamped as prescribed in section 3362, Revised Statutes. If they are subsequently sold without being so put up and stamped the manufacturer making such sale will be reported by his collector to the Commissioner, on Form 23*a* for assessment of the tax omitted to be paid by stamps, and to the United States district attorney for prosecution for selling and removing manufactured tobacco without its being properly packed and stamped.

MANUFACTURERS OF TOBACCO OR SNUFF.

On July 1 of each year, or on commencing business, each tobacco manufacturer is required by section 26 of the act of October 1, 1890, to register with the collector of the district his name or style, place of residence, trade, or business, and the place where such trade or business is to be carried on, the same as though the special tax had not been repealed, and a failure to register as therein required shall subject such person to a penalty of fifty dollars. (See Circulars No. 355 and 359.)

"Every person whose business it is to manufacture tobacco or snuff for himself, or who employs others to manufacture tobacco or snuff, whether such manufacture be by cutting, pressing, grinding, crushing, or rubbing of any raw or leaf tobacco, or *otherwise preparing raw or leaf tobacco*, or manufactured or partially manufactured tobacco or snuff, or the putting up for use or consumption of scraps, waste, clippings, stems, or deposits of tobacco, resulting from any process of handling tobacco, or by the working or preparation of leaf tobacco, tobacco stems, scraps, clippings, or waste, by sifting, twisting, screening, or any other process, shall be regarded as a manufacturer of tobacco."

MANUFACTURER'S BOND AND STATEMENT.

Any person manufacturing tobacco or snuff of any description without first giving bond (Form 40) in accordance with the provisions of section 3355 of the Revised Statutes, as amended by the act of March 1, 1879, shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned for not less than one year nor more than five years.

By the same section it is made the duty of every manufacturer of tobacco, without previous demand therefor, to furnish, in duplicate, to the collector (which may be delivered through the deputy collector), a statement (Form 36), accurately setting forth the place where his manufacture is carried on, the number and kind of machines, etc., kept for use, the kind and quality of his products, etc.; and also to immediately give notice to the collector of his district whenever he shall add to the number of cutting machines, presses, snuff mills, hand mills, or other mills or machines. Every collector will see that these statements are

properly furnished, as from them he will rely, in a large measure, for data in determining whether the bonds offered by manufacturers are in conformity with the provisions of the law.

Before approving any bond the collector should require affidavits of the sureties, to be made on Form 33, and filed in his office with the bond. The penal sum of the bond of any manufacturer of tobacco or snuff is fixed by law at a minimum of two thousand dollars, and a maximum of twenty thousand dollars, and is to be according to the quantum of business proposed to be done.

The penal sum of the tobacco manufacturer's bond, within these limits, is to be fixed by the collector of the district, with right of appeal, with respect to the amount of said bond, by the manufacturer to the Commissioner of Internal Revenue.

In computing and fixing the penal sum of a tobacco manufacturer's bond according to the quantum of business, it is necessary to adopt some rule, that there may be uniformity throughout the country. It is hereby suggested that, subject to the discretion of collectors in exceptional cases, the present rule of adding to the minimum amount proposed by law a certain sum for each cutting machine, screw press, hydraulic press, snuff mill, or other mill or machine, reported on Form 36, until the maximum sum of twenty thousand dollars is reached, shall still be continued as the rule to guide collectors in fixing the penal sum of the bond, as provided in amended section 3355, Revised Statutes.

As to bonds given by partnerships and corporations, see Internal Revenue Record, volume 22, page 141.

Where no changes are made requiring new bonds, and where the sureties are deemed to be good and sufficient, the same bonds may be continued from year to year without renewal.

But collectors should, as often, at least, as once a year, reëxamine such bonds, and assure themselves of the continued responsibility of the sureties, and indorse the date of reëxamination on the back of each bond.

MANUFACTURER'S SIGN AND COLLECTOR'S CERTIFICATE.

Every manufacturer of tobacco and snuff is required to keep on the side or end of the building where his business is carried on a sign painted in oil colors or gilded, giving his full name and business (section 3356, Revised Statutes), and also posted in a conspicuous place within his manufactory, a certificate (Form 41) obtained from the collector of his district, setting forth the kind and number of machines, presses, snuff mills, hand mills, or other mills or machines kept for use in making tobacco and snuff.

Any person neglecting to place and keep a sign, as aforesaid, on the building where he manufactures tobacco and snuff is liable to be fined not less than one hundred dollars nor more than five hundred dollars. (Section 3356, Revised Statutes.)

The collector is required to issue to the manufacturer a certificate (form 41), setting forth the kind and number of machines, presses, etc., for which the bond has been given, which certificate must be posted in a conspicuous place in the factory.

Manufacturers of tobacco, who are also dealers in leaf and manufactured tobacco, are not allowed as dealers to occupy portions of their bonded factory premises for storing, selling, and delivering such tobacco. For such business there must be a store or salesroom separate and distinct from the factory.

TOBACCO FACTORIES TO BE NUMBERED AND RECORDS OF THEM KEPT.

Section 3357, Revised Statutes, as amended, makes it the duty of the collectors to cause the several manufactories of tobacco or snuff in their respective districts to be numbered consecutively. These numbers attach to the factories or buildings and not to the manufacturers, and when a number has been once given to a factory it is not to be changed except as the law provides.

Every collector will keep a record in a book of the name and residence of every person engaged in the manufacture of tobacco or snuff in his district, the place where such manufacture is carried on, and the number of the manufactory. In this book he will enter, under the name of each manufacturer, all inventories required by law to be made by tobacco manufacturers, and abstracts of all monthly returns, etc. These records should be made so complete that any information relating to the manufacture of tobacco and snuff in any collection district may readily be obtained from the collector's office by revenue officers, and are open to the inspection of only the proper officers of the internal revenue. (Sec. 33, act Oct. 1, 1890.)

Collectors should require their deputies, as often as once every month, to make a personal and careful inspection of every tobacco and cigar manufactory in their divisions, and report the condition of each, what changes, if any, have been made in machinery or number of men, which factories are running on full time and employing their entire productive force, which factories are complying with all the requirements of the law and which are not, and in what particulars they are not. Collectors may furnish information as to *aggregate* receipts for the District from tobacco, snuff, cigars, and cigarettes, but can not give data as to output, etc., of any individual manufacturer. (See Circular 354, December 9, 1890.)

REMOVAL OF TOBACCO FACTORY.

Every manufacturer of tobacco or snuff, before changing the location of his factory, will be required to furnish to his collector a new statement, file a new bond, have his special tax stamp (if before May 1, 1891), re-registered, obtain a new certificate from his collector, and file a closing inventory. In case, however, no change in the penal sum of the bond is made necessary, and the makers of the manufacturer's bond already given are deemed to be good and ample, and the makers indorse upon the bond their assent to the removal and their willingness to be bonded in the new location, as if no change thereof had been made, the collector may allow the old bond to continue and may also dispense with the closing inventory.

REPORT OF CHANGES IN THE LIST OF TOBACCO AND CIGAR MANUFACTURERS.

Collectors are required, once a month, to report to the Commissioner (on Forms 147 and 148) all changes occurring in their districts in the number of tobacco and cigar manufacturers, giving the names of the persons or firms discontinuing business; also the names of those commencing, the registered number of the factory, its location, the penal sum of the bond, and names of the sureties in each case; also the number of machines, etc., kept for use, and the number of men employed in making cigars.

BOOKS AND ACCOUNTS.

Section 3358 Revised Statutes, prescribes that manufacturers of tobacco shall keep a book or books, the forms of which shall be prescribed by the Commissioner of Internal Revenue, and enter therein daily an accurate account of all the articles aforesaid purchased by him, the quantity of tobacco, snuff, and snuff flour, stems, scraps, clippings, waste, tin-foil, licorice, sugar, gum, and other material, of whatever description, manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture in bond, and to what district removed; also the number of net pounds of lumps of plug tobacco made in the lump room, and the number of packages and pounds thereof produced in the press room each day. (See amended Form 74.)

Salt and flavoring materials must be entered as material used.

Stems must be rendered unfit for use as smoking tobacco or snuff before removal from the factory for fertilizing purposes.

MONTHLY RETURNS OR ABSTRACTS.

On or before the 10th day of each and every month, manufacturers of tobacco and snuff must make returns of all purchases, sales, and removals of tobacco, etc., as required by section 3358, Revised Statutes. These returns are to be made on Form 62, and must be verified by oath or affirmation.

INVENTORIES.

Attention is also called to the inventory (Form 70*a*) required by section 3358, Revised Statutes, of every person now or hereafter engaged in the manufacture of tobacco and snuff. These inventories are to be made on the 1st day of January by all who are now engaged in the business, or at the time of commencing, and at the time of concluding business, if before or after the 1st of January. And whenever such an inventory is received by a deputy collector, he will immediately make a personal examination of the stock, sufficient to satisfy himself of the correctness of the inventory.

In view of the fact that this inventory is an essential element in determining the liability of the manufacturer, it is earnestly enjoined on collectors and their deputies that more care should be taken to have these inventories show the actual net weight of all the stock on hand, and that the accounts of leaf, scraps, and stems, be kept separate. No estimates of weights should be made or allowed.

LIABILITIES OF TOBACCO MANUFACTURERS.

Every tobacco manufacturer who neglects or refuses to obtain the collector's certificate, or to keep the same posted in a conspicuous place within his manufactory, shall be fined not less than one hundred dollars nor more than five hundred dollars; and whenever any such person refuses or willfully neglects to deliver the inventory, or keep the account, or furnish the abstract aforesaid, he shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years.

MANUFACTURED TOBACCO.

As the law requires that all manufactured tobacco shall be put up in packages of certain descriptions and limitations, and as the tax is imposed only upon manufactured tobacco and not upon raw or leaf tobacco, it is important to determine what is "manufactured tobacco," within the meaning of this law The Revised Statutes as amended impose a tax of 6 cents per pound on all tobacco twisted by hand, or reduced from leaf, into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened.

The law does not require that there shall be any radical change in the natural leaf, or any extended mode of preparation, or any process of reduction which can not be performed by hand and without the aid of any machine or instrument. Therefore, all tobacco twisted by hand, or prepared by any process, however simple, for consumption or use, or in any manner differing from methods in use prior to the act of October 1, 1890, must be packed as prescribed by law for manufactured tobacco, and the tax of 6 cents per pound paid thereon.

The law imposes "on all refuse scraps, clippings, cuttings, and sweepings of tobacco a tax of 6 cents per pound." Therefore, all scraps, waste, clippings, etc., put up for general sale and thrown upon the market for indiscriminate purchasers, for use or consumption, will be regarded as manufactured tobacco within the meaning and intent of the law, and will be required to be packed as therein described, and the tax of 6 cents per pound paid thereon. And any person purchasing scraps, waste, clippings, stems, sweepings, or broken and fragmentary tobacco, and manipulating the same by any process of cutting, pressing, grinding, crushing, rubbing, screening, or any other process, or putting up the same for use or consumption, will be held to be a manufacturer ot tobacco, and any person who purchases raw or leaf tobacco and in any way changes its condition, and puts it up for use or consumption, will be held liable as a tobacco manufacturer.

PACKAGES.

Section 3362 Revised Statutes, as amended by the act of March 1, 1879, requires all manufactured tobacco and snuff to be put up and prepared by the manufacturer for sale or consumption in packages of the following descriptions, and in no other manner, viz:

1. Cavendish, plug, and twist tobacco, in packages not exceeding 200 pounds net weight.

2. All fine-cut chewing tobacco, in packages containing 1, 2, 3, 4, 8, and 16 ounces, or in wooden packages containing 10, 20, 40, and 60 pounds each.

3. All smoking tobacco, and all cut and granulated tobacco, other than fine-cut chewing, all shorts the refuse of fine-cut chewing, which have passed through a riddle of 36 meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco, in packages containing 2, 3, 4, 8, and 16 ounces each.

4. All snuff in packages containing ½ 1, 2, 3, 4, 6, 8, and 16 ounces: or in bladders and jars not exceeding 20 pounds each.

5. All kinds of tobacco not otherwise provided for, including large rolls of tobacco, cigar-shaped, in packages containing 1, 2, 3, 4, 8, and 16 ounces each.

It has been the practice with some manufacturers to pack in bulk varieties of cut tobacco, under various names, denominated in most instances, chewing tobacco, which was essentially smoking tobacco. All cut and granulated tobacco, other than fine-cut chewing, must be packed only in packages provided for and prescribed by law, viz, a package of the capacity of 2, 3, 4, 8, or 16 ounces.

Subdivisions or parcels of the packages authorized by law, Section 3362 Revised Statutes, for fine-cut chewing and for smoking tobacco have been permitted when consisting of one unsealed wrapping of light material, imprinted as follows: The name and brand of manufacturer and these words: "This is an authorized subdivision taken from a properly stamped package." In each case the approval of the Com-

missioner has been obtained under the rules established for using other materials than wood for packing tobacco, snuff, and cigars. (See Circular 362, March 26, 1891.)

Only tobacco or snuff to be included in statutory packages; all other articles of merchandise forbidden. (See Circular 371.)

PERIQUE TOBACCO.

By reason of the peculiar and exceptional mode adopted by planters in curing, preparing, and manufacturing this class of smoking tobacco, to wit, in carrottes of from 3 to 5 pounds, more or less, it has not heretofore been required to be put up in packages of not exceeding 16 ounces each and stamped as other smoking tobacco, but, on the contrary, it has been the custom of the planters to pack the same in barrels and boxes containing from 12 to 50 carrottes each, more or less, and affix the stamps to the barrels or boxes. Receivers of these stamped boxes and barrels open the same, and sell therefrom any number of carrottes or pounds, and deliver the same to the purchaser to be resold without stamps, or any evidence that the tax has been paid, except, perhaps, a certificate from the seller that the carrottes were taken from a stamped package. Such evidence, in the absence of the proper stamp, is not sufficient to satisfy the Government, nor does it give to the dealer the right to sell such tobacco at retail, the law expressly providing that all sales in quantities less than an original package shall be made only from a stamped package.

Hereafter manufacturers of Perique tobacco will be required to conform to the law, and pack this class of smoking tobacco in packages of 2, 3, 4, 8, or 16 ounces each, and affix thereto the proper stamp, or, if that is impracticable, to inclose each carrotte in a suitable wrapper, and affix a stamp or stamps in value equal to the tax, computed at the rate of 6 cents a pound for every ounce of tobacco contained in the carrotte or in the package. These stamps will be canceled in the same manner as is prescribed for the cancellation of stamps on other packages containing smoking tobacco.

Upon the wrapper of each carrotte a label must be printed or securely affixed, on which shall be printed the number of the manufactory, and the district in which it is situated, and the caution notice prescribed by law.

PACKAGES OTHER THAN WOODEN.

Section 3362 of the Revised Statutes, as amended, provides that wood, metal, paper, or other materials may be used, separately or in combination, for packing tobacco, snuff, and cigars, under such rules as the Commissioner of Internal Revenue may establish.

Any manufacturer of tobacco, snuff, or cigars wishing to avail himself of the privilege which the law thus authorizes of substituting for the wooden box now used for packing cigars, or for packing fine-cut, cavendish, plug, or twist tobacco, or of substituting instead of the bladders and jars now used for packing snuff, packages made of other materials, or of subdividing the packages required by law for fine-cut

chewing or smoking tobacco, will be required to submit to the Commissioner samples of such packages for his approval, and if the same are of such a character as to admit of the proper marks, brands, labels, etc., being applied to them, and the stamps to be securely and permanently attached, and properly canceled an order will be issued authorizing their use.

All sample packages forwarded to the Commissioner for his approval must be accompanied with a statement setting forth the materials of which the packages are made, the kind of goods intended to be packed therein, and the capacity of the package, in pounds, if intended for tobacco or snuff, and if intended for cigars, the number of cigars to be packed in each, and showing also by samples the mode in which the marks, brands, labels, and stamps may be put upon the packages, subdivisions, or parcels, and the law in these respects fully complied with.

CAUTION NOTICE AND LABEL.

Upon every package of tobacco or snuff, whether put up in wooden packages or otherwise, the law requires (section 3364 Revised Statutes, as amended) that there shall be printed or securely affixed, by pasting thereon, a label, on which shall be printed the number of the manufactory and the district and State in which it is situated, and a caution notice in language as hereafter quoted in Form U.

The label on which the above notice is to be printed is required to be not less than 3 and not more than 6 inches long, and not less than 2 inches in width, and to contain in addition to the caution notice prescribed in section 3364, Revised Statutes as amended, respectively the following facts, printed in plain, open, and legible letters, viz, the number of the manufactory, the collection district, and the State. These labels will be in the following form, viz:

(FORM U.)

FOR TOBACCO AND SNUFF.

Factory No. ——, ——— *District, State of* ———.

NOTICE.—The manufacturer of this tobacco has complied with all the requirements of law. Every person is cautioned, under the penalties of law, not to use this package for tobacco again.

The printing on the label of the names of persons other than the manufacturers of record is forbidden, the same being misleading and not in accordance with the actual facts.

WHERE THE LABEL IS TO BE AFFIXED.

The label must be affixed to the package in a conspicuous place, where it will be exposed as little as possible to be worn or rubbed off, and in a manner so as not to be covered up or concealed by any other labels or marks, and so as not to conceal by it any other marks or brands required by law to be placed upon the package.

LABELS FOR SMALL PACKAGES.

A separate and distinct label will not be required on packages of tobacco and snuff containing 16 ounces or less, provided the manufacturer shall cause to be printed on each such package the number of his factory, collection district, and State, together with the caution notice, as required in section 3364, Revised Statutes, in a clear, legible manner, where it will not be covered up by the stamp, or otherwise obscured or concealed.

PENALTY FOR NOT PRINTING OR AFFIXING LABEL.

Every manufacturer of tobacco who neglects to print on or affix such label to any package containing tobacco made by or for him, or sold or offered for sale by or for him, and every person who removes any such label so affixed from any such package, shall be fined fifty dollars for each package in respect to which such offense shall be committed.

MANUFACTURERS' MARKS OR BRANDS.

Section 3362 of the Revised Statutes, as amended, provides that wooden packages or approved substitutes for wooden packages used for packing cavendish, plug, and twist tobaccos, and for fine-cut chewing tobacco, put up in 10, 20, 40, or 60 pounds, shall have printed or marked thereon the manufacturer's name and place of manufacture, the registered number of the manufactory, and the gross weight, the tare, and the net weight of the tobacco, in each package. (See Circular No. 371.) The printing, or marking, as above, will be required on all bulk packages where metal, paper, or other materials are used instead of wood, either separately, or in combination, for tobacco packages. The placing of the names of persons other than the manufacturer in close connection with the required marks or brands, being misleading and deceptive, is prohibited.

PENALTIES FOR NEGLECT TO PROPERLY PACK AND STAMP MANUFACTURED TOBACCO.

Any person who shall sell or offer for sale tobacco and snuff of any description not put up in packages and stamped as prescribed by law, renders himself liable to a fine of not less than five hundred dollars, nor more than five thousand dollars, and imprisonment for not less than six months nor more than two years. (Section 3363, Revised Statutes.) And any person who shall remove from any manufactory, or from any place where tobacco or snuff is made, any manufactured tobacco or snuff without the same being put up in proper packages, or without the proper stamp for the tax thereon being affixed and canceled, *as required by law*, or if the same be intended for export, without the proper export stamp being affixed; or shall use, sell, or offer for sale, or have in possession, except in the manufactory, or in a bonded warehouse, any manufactured tobacco or snuff, without proper stamps being affixed and canceled, is liable, for each such offense, to a fine of not less than one thousand dollars nor more than five thousand dollars, and to be

imprisoned for not less than six months nor more than two years. And the same fine and penalty are imposed upon any person who shall affix to any package containing tobacco or snuff, any false, forged, fraudulent, spurious, or counterfeit stamp, or a stamp which has been before used. (Section 3374, Revised Statutes.)

SALE OF MANUFACTURED TOBACCO.

The sale of tobacco, snuff, and cigars by manufacturers must be made only in packages, each package bearing a stamp properly affixed and canceled, and the package itself being according to the description and limitation prescribed in section 3362, Revised Statutes, as amended, and no other.

When the manufacturer removes his goods from the place of manufacture for sale to a store or salesroom separate and distinct from his factory, he becomes a dealer in manufactured tobacco.

REWORKING OF TOBACCO UNFIT FOR USE.

Under the Revised Statutes, no provision is made for the reworking or rehandling of spoiled tobacco after the same has been stamped.

On application made by the manufacturer, through his collector, special permission will be given by the Commissioner of Internal Revenue either to rework or to destroy *unstamped* manufactured tobacco that has been spoiled—that is, has become unsalable.

Destruction of such tobacco will be under the supervision of a revenue officer, who will weigh the tobacco, and either burn it or mix it so thoroughly with wet sulphur or ashes or other noxious substances that it can not be smoked or chewed or used as snuff.

SUMMARY STATEMENT.

The Commissioner would call special attention of tobacco manufacturers to the following summary statement of their principal duties and liabilities under the internal-revenue laws:

1. The law defines a tobacco manufacturer as "every person whose business it is to manufacture tobacco or snuff for himself, or who employs others to manufacture tobacco or snuff." (Section 3244, paragraph ninth, Revised Statutes.)

2. Every tobacco manufacturer, before commencing business, is required to furnish his collector with a statement on Form 36, in duplicate, subscribed under oath, describing the place where the manufacture is to be carried on, etc. (Section 3355, Revised Statutes, as amended March 1, 1890.)

3. Every tobacco manufacturer, before commencing business, is required to file a bond with his collector on Form 40—the penal sum of this bond, between the limits of two thousand and twenty thousand dollars, is to be fixed by the collector of the district according to the

quantum of business proposed to be done by the manufacturer. (Section 3355, Revised Statutes, as amended by the act of March 1, 1879.)

4. Every manufacturer of tobacco, before commencing business, is required to register with the collector of the district. (Section 26, act of October 1, 1890.)

5. Every manufacturer of tobacco, before commencing business, is required to obtain from the collector of his district a certificate (Form 41) setting forth the kind and number of machines, presses, snuff mills, hand mills, and other mills and machines enumerated in his duplicate statements; and this certificate is required also to be posted in a conspicuous place within his manufactory. (Section 3355, Revised Statutes, as amended by act of March 1, 1879.)

6. Every manufacturer of tobacco and snuff is required to place and keep on the side or end of the building where his business is carried on, so that it can be distinctly seen, a sign with letters thereon not less than 3 inches in length, painted in oil colors, or gilded, giving his full name and business. (Section 3356, Revised Statutes.)

The above requirements are made obligatory upon every manufacturer of tobacco or snuff, and are indispensable in order to qualify any person to commence, or, if commenced, to continue the business legally.

7. Every manufacturer of tobacco or snuff, on commencing business, and upon the 1st day of January of every succeeding year, and on closing business, is required to render to the collector, on Form 70 *a*, a true and correct inventory of all the stock he has on hand, including manufactured and partially manufactured goods, and materials of every description used in the manufacture of tobacco or snuff. (Section 3358, Revised Statutes.)

8. Every manufacturer of tobacco is required to keep a book or books (Form 74), and to enter therein daily an accurate account of all the material purchased or received into his factory, and of the tobacco manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture in bond, and of all material of every description sold, consumed, or removed. (Section 3358, Revised Statutes.)

9. Every manufacturer of tobacco or snuff is required to furnish to the collector a true and complete abstract from his book or books on or before the tenth day of each month (Form 62), verifying the same by his oath, giving all purchases, sales, and removals made during the month next preceding. (Section 3358, Revised Statutes.)

10. Every manufacturer of tobacco or snuff, before changing the location of his factory, will be required to furnish to his collector a new statement, file a new bond, have his location reregistered, obtain a new certificate from his collector, and file a closing inventory. In case, however, no change in the penal sum of the bond is made necessary,

and the sureties upon the manufacturer's bond already given are deemed to be good and ample, and the makers indorse upon the bond their assent to the removal and their willingness to be bound in the new location as if no change thereof had been made, the collector may allow the old bond to continue, and may also dispense with the closing inventory.

11. Within the bonded premises of a tobacco manufacturer he can not legally do business as a cigar manufacturer, a dealer in leaf tobacco, nor as a dealer in manufactured tobacco.

12. Every tobacco manufacturer, before selling or removing for sale or consumption manufactured tobacco or snuff, must put up the same in packages such as the law has prescribed, and in no other manner. The contents of the package must conform to the weight, etc., expressed by the stamp thereon.

13. Every package of tobacco or snuff put up by a manufacturer, before it is sold or removed from the place of manufacture for sale or consumption, must have on it the marks, the brands, the label or caution notice, and a proper stamp for the amount of tax due thereon. (Section 3362, Revised Statutes, as amended, and sections 3364 and 3369, Revised Statutes.)

14. The absence of a proper stamp from any package of manufactured tobacco or snuff, renders such package liable to seizure and forfeiture. (Section 3373, Revised Statutes.)

A proper stamp is not only a genuine stamp which has never been used for the payment of the tax on any other package, but it must be of a suitable denomination and of a value sufficient to pay the tax upon the tobacco contained in the package.

15. Placing or packing of foreign articles in statutory packages of tobacco is forbidden. (See Circular 371.)

16. All violations of the various requirements of the law, as hereinbefore enumerated, will subject the person so violating the same to severe penalties, and many of them, on conviction thereof, to fines and imprisonment. These penalties are enumerated in these regulations under appropriate headings.

CIGARS.

REGISTRY.

On July 1 of each year, or on commencing business, each cigar manufacturer must, in lieu of the payment of special tax, register with the collector of the district his name or style, place of residence, trade or business, and the place where such trade or business is to be carried on, and a failure to register will subject such person to a penalty of fifty dollars. (See Circulars No. 355 and 359.)

Every person whose business it is to make or manufacture cigars for himself, or who employs others to make or manufacture cigars, is a manufacturer of cigars, and must file a bond and register with the collector.

Manufacturers of tobacco or snuff who also manufacture cigars will be required to qualify as cigar manufacturers.

STATEMENT.

Every manufacturer of cigars, before commencing the business, is required to furnish a sworn statement, in duplicate (Form 36½), without previous demand, to the collector, according to the provisions of section 3387, Revised Statutes, as amended.

A cigar factory, or place where cigars are made for sale, must be at least an entire room, separated by walls and partitions from all other parts of the building, and accurately described on Form 36½.

Two cigar manufacturers can not occupy the same premises at the same time. No cigar manufacturer will be allowed to operate more than one factory within the same limited and described factory premises; nor to have more than one factory number for the same premises; nor, on such premises to carry on the business of a tobacco manufacturer a dealer in leaf or manufactured tobacco, or to carry on any other business deemed to be incompatible with the business of manufacturing cigars.

BOND.

As soon as the collector has received the duplicate sworn statement of the cigar manufacturer, on Form 36½, he will furnish the manufacturer with a blank form (71), and instruct him how to proceed to give a good and sufficient bond.

No person is allowed to manufacture cigars until such bond is filed with the collector, with sureties approved by him. These bonds may be increased from time to time, and additional sureties required, at the discretion of the collector, or under the instructions of the Commissioner of Internal Revenue.

Any person manufacturing cigars of any description without first giving bond (Form 71), in accordance with the provisions of section 3387, Revised Statutes, as amended by the act of March 1, 1879, and section 35 of the act of October 1, 1890, which makes the minimum penal sum of such bond only one hundred dollars, becomes liable to a fine of not less than one hundred dollars nor more than five thousand dollars, and to imprisonment for not less than three months nor more than five years.

CERTIFICATE.

The collector shall issue to every manufacturer of cigars upon the filing of his bond and the approval of the sureties thereon a certificate (Form 41½), which will specify the penal sum of said bond, the factory

number, and will contain a transcript from the manufacturer's statement (Form 36½), giving an accurate description of the factory premises. Every manufacturer of cigars is required to keep this certificate posted in a conspicuous place in his manufactory, and a neglect or refusal on his part to obtain such certificate or to keep the same posted, as hereinbefore provided, renders him liable to a fine of one hundred dollars. (See section 3387, Revised Statutes United States.)

CIGAR MANUFACTURER'S SIGN.

Section 3388, Revised Statutes, provides that "every cigar manufacturer shall place and keep on the side or end of the building within which his business is carried on, so that it can be distinctly seen, a sign, with letters thereon not less than 3 inches in length, painted in oil colors or gilded, giving his full name and business. Any person neglecting to comply with the requirements of this section shall, on conviction, be fined not less than one hundred dollars nor more than five hundred dollars."

RECORD BOOK AND NUMBERING OF MANUFACTURERS.

Section 3389 of the Revised Statutes, as amended by the act of March 1, 1879, and section 34 of the act of October 1, 1890, provides that—

> Every collector shall keep a record, in a book provided for that purpose, to be open to the inspection of only the proper officers of internal revenue, including deputy collectors and internal-revenue agents, of the name and residence of every person engaged in the manufacture of cigars in his district, the place where such manufacture is carried on, and the number of the manufactory; and he shall enter in said record, under the name of each manufacturer, an abstract of his inventory and monthly reurns; and he shall cause the several manufacturers of cigars in the district to be numbered consecutively, which number shall not thereafter be changed.

In numbering consecutively the cigar manufacturers of his district, the collector will give to each a number corresponding to the number which has already been given to his factory, where he has but one; but if he has more than one factory, the collector will give him the number which has already been given to his principal factory, unless the manufacturer shall prefer to be designated by the number of some one of his other factories.

When a number has once been assigned to a cigar manufacturer, or to a manufacturing company or firm, this number is not to be changed, though the place of manufacture, the locality, the street, or number of the street, may be changed, provided the change of place is within the limits of his present collection district.

Since the amended law allows the cigar manufacturer to omit the branding or otherwise imprinting or stamping his name upon boxes of cigars, and also to omit printing his name, or the proprietor's name, upon the label or caution notice, the number of the manufactory

branded or imprinted on the package containing cigars, and printed on the label or caution notice, is indispensable to identification of boxes of cigars, and as a means of ascertaining who was the manufacturer in any given case. Hence, it is absolutely necessary not only that each and every manufacturer should be numbered, but also that there shall be a true and correct list of all such numbers, and of the persons or firms represented by said numbers, made out and forwarded to the Commissioner of Internal Revenue as soon as such numbering has been completed.

Hereafter, changes of factory premises will not require a change of factory numbers. The old factory numbers can be retained so long as the business is continued in the same district, regardless of the locality.

Changes in a firm which do not destroy its identity, and where the business is continued in the same place by a part of the old firm, will not necessitate a change of the *manufacturer's* number. But where a firm is dissolved and the members of the firm associate themselves in other partnerships or carry on business as individuals, and at places other than the place occupied by the firm, the old number can not properly be retained by any member or members of the dissolved firm.

In giving numbers to persons or firms who hereafter commence the business of manufacturing cigars, and to their factories, the collector will be authorized to use the number which may have been previously assigned to any manufactory, but which has now become obsolete on account of the building or premises being no longer occupied as a cigar factory.

LABEL OR CAUTION NOTICE.

Section 3393, Revised Statutes, as amended by the act of March 1, 1879, provides that "every manufacturer of cigars shall securely affix, by pasting on each box containing cigars manufactured by or for him, a label, on which shall be printed, besides the number of the manufactory and the district and State in which it is situated," a caution notice, in language as hereafter quoted in Form V.

The growing tendency on the part of many manufacturers to utilize the label or caution notice as a trade-mark or advertisement for their brands, firm name, etc., must be checked. In many cases the name of the State in which the cigars were manufactured is so obscurely printed that it can be with difficulty deciphered. In others the factory number, the district, and the State are so printed. Usually in those cases the name of another State, or of another person than the manufacturer, or of some locality, as "Key West," is printed in large letters at the top of or on the label. The requirements of the law must not be evaded by such practices.

Therefore, the following requirements will be enforced:

The number of the manufactory required to be printed on the label or caution notice is to be the same as the number of the manufacturer, as described under the previous heading.

The label or notice is to be clearly the label required by law. The *minimum* size to be three inches long and one and one-half inches wide, of plain white paper, the space filled with the words of the caution notice, printed in large, clear type, such space to be devoid of ornamentation, devices, brand or trade-marks, names, or any foreign matter, (Roman numerals prohibited), and to be in the following form:

(FORM V.)

Factory No. —, ——— district, State of ———. Notice.—The manufacturer of the cigars herein contained has complied with all the requirements of law. Every person is cautioned not to use either this box for cigars again, or the stamp thereon again, nor to remove the contents of this box without destroying said stamp, under the penalties provided by law in such cases.

If the manufacturer desires to do so he may increase the size of the paper and print *above or below* the Government part, separated from the label (by a spacing and heavily drawn lines between) such trade-mark, ornamentation, devices, etc., as he may elect, but the separation must be distinctive and readily apparent, and the trade-marks, devices, etc., must in no way encroach upon the space, printing, etc., of the caution notice.

It is at the option of the manufacturer to use oval, square, or other shaped paper, but the caution notice or label required by law must at least be of the dimensions above stated, for governmental purposes only, and be devoid of all extraneous matter.

The affixing of this label or caution notice is made the duty of the manufacturer. It is to be a *printed* label on white paper, clear and legible, black ink type and free from any combination of colors, design or foreign matter. It is to be affixed by the manufacturer before the cigars are to be removed from the places where they were made. No other person than the manufacturer has a right or will be allowed in any case to tamper with this caution notice, to remove it from the box, to substitute another label instead of it, or to cover it up with a label either of his own or of any other person, or to place thereon any device, monogram, trade-mark, advertisement, ornamentation, etc.

The use of an ornamental or colored border will not be objected to, but it must in no way or manner encroach upon the notice or the measurements above set forth.

WHERE THE LABEL IS TO BE AFFIXED.

The label must be affixed to the package in a conspicuous place, where it will be exposed as little as possible to be worn or rubbed off, and in a manner so as not to be covered up or concealed by any other labels or marks, and so as not to conceal by it any other marks or brands required by law to be placed upon the package.

PENALTY FOR NOT AFFIXING LABEL.

Every manufacturer of cigars who neglects to affix such label to any box containing cigars made by or for him, or sold or offered for sale by or for him, and every person who removes any such label, so affixed, from any such box, shall be fined fifty dollars for each box in respect to which such offense is committed. (Section 3303, Revised Statutes, as amended.)

Collectors are especially directed, and it is made their duty, to have the caution notice used by cigar manufacturers printed separately from any commercial label that may be used for advertising the goods, and from trade-marks, ornamentation, or any other wording than those prescribed herein. They should, at once, notify all cigar manufacturers in their District that the continuance of the use of any other label than that herein prescribed, or the placing thereon of any foreign matter, etc., will result in detention of their goods.

MARKING OR BRANDING CIGAR BOXES.

Instead of burning into each box with a branding iron the number of cigars contained therein, the number of the factory, and the number of the district and the State, section 3397, Revised Statutes, as amended by the act of March 1, 1879, permits the branding or marking required by the section as amended to be done by stamping, indenting, burning, or impressing. Whatever the mode of doing it, the law requires that it shall be done in a legible and durable manner.

The factory number, number of District, and number of cigars must be printed in plain Arabic figures.

RATES OF TAX.

1. On all cigars and cheroots, the tax is $3 per 1,000.
2. On cigarettes, weighing not more than 3 pounds per 1,000, the tax is 50 cents per 1,000.
3. On cigarettes, weighing more than 3 pounds per 1,000, the tax is $3 per 1,000.

PACKAGES.

All cigars are required by section 3392, Revised Statutes, as amended by act of March 1, 1879, and by the act of October 1, 1890, to be packed in boxes not before used for that purpose, containing respectively 25, 50, 100, 200, 250, or 500 cigars each: *Provided, however*, That manufacturers of cigars shall be permitted to pack in boxes not before used for that purpose cigars not to exceed 13 nor less than 12 in number, to be used as sample boxes; and every person who sells, or offers for sale, or delivers, or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of or less than the number provided by law to be put in each box respectively, or who falsely brands any box, or affixes a stamp on any box denoting a less amount of tax than that required by law, shall

be fined for each offense not more than one thousand dollars, and be imprisoned not more than two years: *Provided*, That nothing in this section shall be construed as preventing the sale of cigars at retail by retail dealers from boxes packed, stamped, and branded in the manner prescribed by law: *And provided further*, That every manufacturer of cigarettes shall put up all the cigarettes that he manufactures or has manufactured for him, and sells or removes for consumption or use, in packages or parcels containing 10, 20, 50, or 100 cigarettes each, and shall securely affix to each of said packages or parcels a suitable stamp denoting the tax thereon, and shall properly cancel the same prior to such sale or removal for consumption or use, under such regulations as the Commissioner of Internal Revenue shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps canceled in like manner, in addition to the import stamp indicating inspection of the customhouse before they are withdrawn therefrom.

Subdivisions or parcels of the packages for cigars authorized by law, section 3392, Revised Statutes, as amended, have been permitted when consisting of a paper (unsealed), wrapper, or inclosure, cut off at one end, the butts or ends of the cigars or cheroots protruding therefrom exposing the contents. Said subdivisions or parcels to be repacked in proper statutory packages, stamped, canceled, branded, and labeled.

PUTTING UP AND PACKING CIGARETTES.

Section 3387 of the Revised Statutes, United States, declares that cigarettes and cheroots shall be held to be cigars, under the meaning of chapter 7.

Cigarettes, after having been put up in packages of 10, 20, 50, or 100 each, respectively, and properly stamped, and the stamps canceled, may be packed in boxes of 100, 200, 250, or 500 cigarettes each.

Each of said boxes containing 100, 200, 250, and 500 cigarettes, respectively, to have stamped, indented, burned, or impressed into them in a legible and durable manner, the number of the manufactory, the number of the district, the State, and the number of cigarettes contained in each box, together with a plain caution notice or label securely affixed by pasting.

The notice prescribed by section 3393, Revised Statutes, United States, as amended by the act of March 1, 1879, is, by virtue of the authority conferred by section 3446 of the Revised Statutes, United States, as amended by the act of March 1, 1879, so changed as to read as follows:

NOTICE.—The manufacturer of the cigarettes herein contained has complied with all the requirements of the law Every person is cautioned not to use this box for packing cigarettes again, nor to use the stamps, nor the stamped wrappers upon the packages or parcels of cigarettes constituting the contents of this box, under the penalties provided by law in such cases.

INVENTORIES, BOOKS, AND MONTHLY RETURNS.

To enable cigar manufacturers properly to comply with the requirements of section 3390 of the Revised Statutes, the Commissioner of Internal Revenue has prescribed the following forms, to wit: Blank Form No. 70*b*, for the annual inventory; blank Form No. 73, for book of entries; and blank Form No. 72, for monthly abstracts or reports.

The annual inventories are required to be indorsed by the collector, and the law makes it the duty of the collector to make a personal examination of the stock of every cigar manufacturer in his district sufficient to satisfy himself of the correctness of the inventory.

It is not, however, to be expected that the collector will be able to do this in person. It may be done by deputy collectors in districts where there are large numbers of cigar manufacturers.

A correct and reliable annual inventory is of great importance as the basis of subsequent transactions, and the starting point from which future calculations, both by the collector and by the Commissioner are to be made. For this reason, collectors are charged to see that these inventories are made promptly, made correctly, and properly verified and indorsed.

Too often the inventory is made on guesswork, carelessly, etc., and so sworn to. Whenever a deficiency is ascertained it is repudiated by its makers by affidavit charging errors therein. Except where corroborative evidence is supplied, certified to by the deputy and recommended by the collector, based on his investigation and a full knowledge of all the facts, the data, etc., of the original inventory will be insisted on.

BOOKS.

Section 3390, Revised Statutes, requires every cigar manufacturer to enter daily in a book an accurate account of the quantity of leaf tobacco, of the cigars, stems, scraps, clippings, and waste, and also the number and capacity of cigar boxes purchased or sold by him. It further requires daily entries of the quantity of leaf tobacco, cigars, stems, or cigar boxes, of whatever description, manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture.

The entries of leaf tobacco heretofore made by cigar manufacturers have sometimes failed to be accurate or reliable accounts, for the reason that they are sometimes made at marked weights, and sometimes at actual weights, but generally at marked weights and when so made differing from actual weight from 5 to 25 pounds on every hundred. To equalize these different modes of entering leaf tobacco it was found necessary to assume a certain percentage as the average difference in computing the number of pounds properly allowable for the production of 1,000 cigars. This average, however, in some cases would be too great, in others too little, and therefore the computations made upon marked weight have always had an element of uncertainty about them.

There are other strong reasons for adopting a uniform mode of entry for all leaf tobacco inventoried, purchased, and reported to collectors.

Therefore, it is ordered and directed that the daily entries of leaf tobacco in the Government books, and the reports of all purchases and sales of leaf tobacco, made by cigar manufacturers in their monthly reports to collectors, be made of the *actual net weight.* Stemmed, stripped, or booked tobacco so purchased, and scraps, cuttings, and clippings must be entered as such in their respective columns and so returned and inventoried.

Cigar-manufacturers' abstracts or monthly returns, on Form 72, are required to be verified by oath and filed with collectors on or before the tenth day of each and every month.

PENALTY.

Section 3390, Revised Statutes, provides that, in case of refusal or willful neglect to deliver the inventory or keep the account or furnish the abstract aforesaid, he (the manufacturer) shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years.

STAMPS.

The Commissioner of Internal Revenue has caused to be prepared stamps for the payment of the tax on cigars and cigarettes, as required by section 3395, Revised Statutes. These stamps are of the several denominations indicated by the number of cigars or cigarettes allowed to be packed in different sized boxes or packages. They are furnished to collectors to be sold only to cigar manufacturers who have given bonds and have registered in their districts, respectively, and to such other persons as are named in section 3395, Revised Statutes.

When a constable, sheriff, or other executive officer, acting under process of court, has attached or levied upon unstamped cigars, the collector is authorized to sell to such officer the stamps required to properly stamp such cigars prior to his making sale of the same for the satisfaction of the debt on account of which the attachment was made.

The absence of the proper stamps from any box of cigars, or package or parcel of cigarettes sold, or offered for sale, or kept for sale, is notice to all persons that the tax has not been paid thereon, and such cigars or cigarettes are declared to be forfeited. (See section 3398, Revised Statutes United States, as amended.)

One of the prevalent irregularities is found in the *method of affixing the stamp.* It is frequently placed so close to the end or side of the box that it becomes impossible to apply the six waved lines for cancellation in the manner prescribed by this office, under the authority conferred by law (section 3446, Revised Statutes, as amended); that is, the waved lines can not extend at least three-quarters of an inch beyond each side of the stamp on the box, as required. Hereafter it is prescribed that the stamps on boxes containing cigars, cheroots, or of cigarettes be so affixed, and that they be placed on the lid of the box, so that on opening it the stamp will be broken.

REMOVAL OF CIGARS.

Sections 3385 and 3386, Revised Statutes, make provision for the exportation of cigars to a foreign country, under rules and regulations provided for in Series 7, No. 8.

All cigars, cheroots, and cigarettes removed from the place of manufacture, as described on Form 36½, unless removed under bond for exportation, must have affixed and canceled proper internal-revenue stamps.

FRAUDULENT USE OF STAMPS.

The law declares any person who shall commit either of the following offenses guilty of a felony (section 3397, Revised Statutes):

1. Packing cigars in a box bearing a false, fraudulent, or counterfeit stamp.
2. Affixing to any box containing cigars a stamp in the similitude or likeness of any stamp required to be used by the laws of the United States, whether the same shall be a customs or an internal-revenue stamp.
3. The buying, receiving, or having in possession any cigars on which the tax to which they are liable has not been paid.
4. Removing or causing to be removed any stamp denoting the tax on cigars from any box, with intent to use the same.
5. Using or permitting any other person to use any stamp so removed.
6. Receiving, buying, selling, giving away, or having in possession any stamp so removed.
7. Making any other fraudulent use of any stamp intended for cigars.
8. Removing from the place of manufacture any cigars not properly boxed and stamped as required by law.

A fine of not less than one hundred dollars nor more than one thousand dollars, and imprisonment for not less than six months nor more than three years, are imposed upon any one guilty of the above offenses.

DESTRUCTION OF STAMPS ON EMPTY CIGAR BOXES, ETC.

Section 3406, Revised Statutes, provides as follows:

Whenever any stamped box containing cigars, cheroots, or cigarettes, is emptied, it shall be the duty of the person in whose hands the same is to destroy utterly the stamps thereon. And any person who wilfully neglects or refuses so to do shall, for each such offence, be fined not exceeding fifty dollars and imprisoned not less than ten days nor more than six months. And any person who fraudulently gives away or accepts from another, or who sells, buys, or uses for packing cigars, cheroots, or cigarettes, any such stamped box, shall for each such offence be fined not exceeding one hundred dollars and be imprisoned not more than one year. Any revenue officer may destroy any emptied cigar box upon which a cigar stamp is found.

WHEN CIGARS ARE DECLARED TO BE FORFEITED.

Section 3397, Revised Statutes, as amended by the act of March 1, 1879, makes either of the following conditions or omissions cause for the forfeiture of cigars, viz:

1. Cigars removed from any manufactory or place where cigars are made without being packed in boxes as required by law.

2. Cigars removed as above without the proper stamp thereon denoting the tax.

3. Cigars removed, etc., without stamping, indenting, burning, or impressing into each box, in a legible and durable manner, the number of cigars contained therein, and the number of the manufactory and the number of the district and the State.

4. Cigars removed, etc., without the stamp denoting the tax thereon being properly affixed and *canceled.*

5. Cigars sold or offered for sale not properly boxed and stamped.

These several acts of omission as well as of commission are declared to be offenses, and it is provided that any person who commits any one of these offenses shall be fined for each such offense not less than one hundred dollars nor more than one thousand dollars, and be imprisoned not less than six months nor more than two years.

DISCONTINUING BUSINESS.

Manufacturers who have discontinued business with a stock of unstamped cigars on hand will be required to register so long as they hold such unstamped stock, in order that the collector may be authorized to sell them stamps when they shall require them.

Manufacturers who have discontinued business with leaf tobacco shown as on hand by the closing inventory, may be allowed under special permits from the Commissioner of Internal Revenue to sell it at a single sale to another manufacturer or to a leaf dealer or for export, without being qualified as a leaf dealer. Each collector will continue his control of such leaf tobacco until it is disposed of by sale or destruction and he will report on Form 144 all manufacturers who have stock on hand.

IMPORTED CIGARS.

All cigars and cigarettes imported from foreign countries are required to be put up in boxes and packages as prescribed in the act for domestic cigars, and the same kind of stamps are to be affixed. The owner or importer is required to affix the stamps, and it is made the duty of the customhouse officers, in whose custody such cigars are held, to see that these stamps are in all cases affixed. (Section 3402, Revised Statutes, and section 3392, Revised Statutes, as amended by act of March 1, 1879, and pages 26 and 27 of these Regulations.)

Owners or importers of cigars failing to comply with the above requirements are liable to all the penal provisions of the law prescribed for manufacturers of cigars manufactured in the United States.

DEALERS IN CIGARS.

Every dealer in cigars, either of foreign or domestic manufacture, having lawfully on hand cigars not packed and stamped according to law, must so pack and stamp them before selling or offering them for sale. (Section 3403, Revised Statutes.)

SALE OF CIGARS.

Section 3392, Revised Statutes, requires that all cigars shall be packed in new boxes containing definite and limited numbers, and positively prohibits their sale in any other form except by retail dealers. Retail dealers are allowed to retail cigars from boxes packed, stamped, and branded in the manner prescribed by law; but this provision does not authorize or warrant the practice of retailing cigars from show cases. Sales can legally be made only from the stamped package, the presence of the revenue stamp being always necessary to give currency to the goods.

SUMMARY STATEMENT.

The Commissioner would call the especial attention of cigar manufacturers to the following summary statement of their principal duties, liabilities, and privileges under the internal-revenue law, and the rulings and regulations of this office as hereinbefore set forth.

1. The law defines who is a cigar manufacturer, viz, every person whose business it is to make or manufacture cigars for himself, or who employs others to make or manufacture cigars. (Section 3244, Revised Statutes.)

2. No person can lawfully make cigars until after he has filed his statement (Form 36½), in duplicate, and given his bond with approved sureties to the collector of the district on Form 71.

3. No manufacturer of cigars can lawfully make, remove, or sell any cigars without first having registered with the collector. (Section 3400, Revised Statutes, and section 26, act of October 1, 1890.)

4. Every cigar manufacturer must make public the fact he is a cigar manufacturer by putting the required sign on the building where he does his business. Failing to place such a sign on his building and to keep it there subjects him to a fine of from one hundred to five hundred dollars. (Section 3388, Revised Statutes.)

5. Every cigar manufacturer must obtain from the collector a certificate, which must be posted up in a conspicuous place within the building or room, or place known or claimed to be his manufactory. Failing to do this subjects him to a fine of one hundred dollars. (Section 3387, Revised Statutes.)

6. Every cigar manufacturer must, on the 1st day of January of each and every year, or at the time of commencing and at time of concluding business, make and deliver to the collector, through the deputy collector, a true and correct inventory or statement (Form 70*b*) of all leaf tobacco he has on hand; also all cigars, stems, scraps, clippings, waste, and the number and capacity of cigar boxes.

7. Every cigar manufacturer must keep a manufacturer's book (Form 73), and enter therein *every day* all the leaf tobacco or other material he purchases and all the cigar boxes he purchases. He must also enter

therein all the cigars he manufactures or purchases, and the quantity of leaf tobacco, cigars, stems, and cigar boxes sold, consumed, or removed from the place of manufacture.

8. Every cigar manufacturer must, on or before the tenth day of each and every month, furnish to the collector, under oath, a return or statement, upon the printed form furnished by this office (Form No. 72), of all purchases, sales, and removals made during the preceding month. Failing to do either of the things specified in Nos. 6, 7, and 8 will subject him to a fine of from five hundred to five thousand dollars, and to imprisonment of from six months to three years. (See section 3390, Revised Statutes.)

9. Every cigar manufacturer must pack his cigars in boxes not before used for that purpose, as described in section 3392, Revised Statutes, as amended, *and in no other manner.*

10. Every cigar manufacturer must brand, stamp, indent, or impress into the boxes containing the cigars manufactured by or for him, in a legible and durable manner, his factory number, the number of cigars in each box, the number of the district, and the State. (See instructions under the head of "Marking or branding cigar boxes.")

11. Every cigar manufacturer must affix to each box of cigars put up by him a label or caution notice in form and style as hereinbefore described.

12. Every manufacturer of cigars must affix to *each* box of cigars manufactured and put up by him, before they are sold or removed for consumption or sale from the place where they were made, a proper internal-revenue stamp to denote the payment of the tax, but no other stamp in the similitude or likeness of a customs or internal-revenue stamp.

13. Every manufacturer of cigars, having properly boxed his cigars and affixed proper revenue stamps, *must cancel said stamps in the manner prescribed, as hereinbefore specified.*

14. Any manufacturer selling his cigars, or removing them from the place where they were made, without complying with the requirements stated in Nos. 9, 10, 12, and 13, subjects such cigars to forfeiture and incurs liability to fine and imprisonment.

15. A manufacturer of cigars, in case he commits either of the following offenses, to wit:

A. If he shall remove or sell any cigars without registering as a cigar manufacturer;

B. Or without having given bond as a cigar manufacturer;

C. Or without the proper stamps, denoting the tax, affixed thereto;

D. Or if he shall make false or fraudulent entries of the manufacture or sale of any cigars;

E. Or if he shall make false or fraudulent entries of the purchase or sale of leaf tobacco, tobacco stems, or other material used in the manufacture of cigars;

F. Or if he shall affix any false, forged, spurious, fraudulent, or counterfeit stamp, or imitation of any stamp required by law, to any box containing any cigars, in addition to the forfeitures and penalties elsewhere prescribed, renders himself liable to forfeit to the United States all raw material and manufactured or partly manufactured tobacco and cigars, and all machinery, tools, implements, apparatus, fixtures, boxes, barrels, and all other material which shall be found in the possession of such person or in his manufactory, and used in his business as such manufacturer, together with his estate or interest in the building or factory, and the lot or tract of ground on which such building or factory is located, and all appurtenances thereunto belonging. (See section 3400, Revised Statutes.)

16. Every cigar manufacturer, before removing his business from one factory or building to another location where he proposes to carry on the same business, must cause such change or removal to be registered with the collector. He must also deliver to the collector, through the deputy collector, an inventory similar to that required to be made on the first day of January of each year. (See No. 6.) He must also pack and stamp all his manufactured cigars before such removal is made, unless he has obtained a special permit for such removal from the collector of his district, and must give a new bond, unless the present bond is deemed good and sufficient, and the makers of the bond have indorsed thereon their assent to the removal, and their willingness to be bound for his transactions at the new location, and for the tax on all cigars so removed unstamped.

17. Manufacturers of cigars, as such, can sell only in original and unbroken packages, and only at the place of manufacture.

18. Manufacturers of cigars, who have qualified as dealers also, may sell at retail elsewhere than in the factory from boxes packed, stamped, and branded in the manner prescribed by law. If the place of manufacture and the place of sale are in the same building, the cigars must be boxed, branded, and stamped before they are removed from the room where they were made to the room where they are to be sold.

19. Every cigar manufacturer who is also a dealer, and sells cigars of his own manufacture at retail, must, when he transfers cigars from his factory, or place where they were made, to his salesroom, to be sold at retail, enter them in his manufacturer's book as "removed for consumption or sale," and so return them to the collector in his next monthly return.

20. Manufacturers of cigars who are also dealers, and sell cigars of their own manufacture at retail, are required to *utterly destroy* the stamps on all boxes as soon as they are emptied; and revenue officers are charged to destroy (as authorized by section 3406, Revised Statutes) any empty cigar box upon which a cigar stamp is found.

21. Manufacturers of cigars may sell in bulk as material, and without the payment of tax, directly to another manufacturer, or for export,

their refuse scraps, stems, clippings, cuttings, and sweepings of tobacco. But such sales can only legally be made after the manufacturer shall have made application to and received from his collector a special permit in each and every case. (See the second proviso to section 3362, Revised Statutes.)

22. Cigar-manufacturers are required to register as tobacco-manufacturers to entitle them to the privilege of purchasing tobacco stamps or to properly pack, stamp, and label refuse scraps, clippings, and cuttings, incidental to their business. (See Circular 361.)

23. Cigar-manufacturers are not authorized by law to manufacture tobacco or to put up scraps, waste, clippings, or cuttings for use or consumption, and they can not lawfully sell such material for consumption or to other persons than manufacturers, except for exportation.

24. In view of the second proviso of subdivision six of section 3244, Revised Statutes, a registered manufacturer may, without becoming a dealer in leaf tobacco, sell to a registered manufacturer of cigars leaf tobacco in quantities less than the original package for use in his own manufactory exclusively.

25. The use of the roman numerals in branding cigar boxes, in canceling stamps, and on the caution notice is interdicted. The arabic figures are required.

26. Collectors are authorized to permit the removal of stems in their natural condition to properly qualified manufacturers of tobacco.

27. Revenue officers have been and are specially charged to enforce the law and regulations in each and all of the several particulars hereinbefore named. Manufacturers of cigars will, therefore, see that there is a full compliance with both on their part.

ASSESSMENTS FOR DEFICIENCIES.

Section 3371, Revised Statutes, as amended by the act of March 1, 1879, makes it the duty of the Commissioner of Internal Revenue, upon satisfactory proof that a manufacturer of tobacco, snuff, or cigars has sold, or removed for sale or consumption, any tobacco, snuff, or cigars, upon which a tax is required to be paid by stamps without the use of the proper stamps, to estimate the amount of tax which has been omitted to be paid and to make an assessment therefor. Such assessments are to be made at any time within two years after the sale or removal as aforesaid.

Prima facie evidence of sale or removal of cigars without the payment of the tax is furnished from the abstract reports of cigar-manufacturers' accounts, made up by collectors from the manufacturers' yearly inventories and monthly reports of material on hand and purchased, and of cigars made and sold, together with the collector's own account of

stamps sold, and which abstracts are rendered to the Commissioner of Internal Revenue on Form 144, and from the abstracts of sales made to cigar manufacturers of leaf tobacco, taken from the books required to be kept of all such transactions by leaf-dealers.

While the law does not in terms define or limit the number of pounds of material that may be used in the production of a given number of cigars, and while it holds the manufacturer liable to make return of all the cigars he makes and sells or removes, and to pay the tax thereon, whether he uses more or less material per 1,000 cigars in their production, it does clearly contemplate and require assessments to be made by the Commissioner upon proof sufficiently satisfactory to justify an estimate of the amount of tax omitted to be paid; and it gives him the means of estimating the amount of tax omitted to be paid by furnishing him, with particular exactness, information which for any other purpose than such assessments would not be worth the labor and trouble of acquiring.

The accounts of cigar manufacturers in the United States for several years past show that less than 20 pounds of leaf are used, on an average, in making 1,000 cigars. The assumption made by the Government that each manufacturer ought to produce at least 1,000 cigars from each 25 pounds of leaf, actual weight, or 30 pounds of damp resweated leaf, or 15 pounds of stemmed leaf used is liberal, and inquiries contemplating assessments will be made where more leaf is reported used. This assumption does not justify a manufacturer who produces more than that proportion of cigars from evading payment of tax on such overproduction. The law requires payment of tax upon *all* cigars manufactured and sold or removed for consumption or sale. The making of excessively large cigars is optional with manufacturers, but assessments will be made and collection enforced upon an excess of material used over the weights above stated.

Upon the receipt by the Commissioner of the abstract statement of the accounts of tobacco, snuff, and cigar manufacturers rendered by collectors on Forms 144 and 146, a careful examination will be made of the same, and whenever it is found that the manufacturer has failed to report manufactured products corresponding to the amount of materials had and used, or apparently used, and corresponding to what is known to be the average production from a given quantity of materials, the deficiency in his products will be estimated and the amount of tax apparently omitted to be paid computed, and the collector informed of the result and furnished with a copy of the calculations.

All deficiencies found will be stated under the appropriate headings. Satisfactory evidence will be required to obtain allowance for losses by fire, flood, or other causes, and for failure to report an average quantity of tobacco, snuff, cigars, or cigarettes from the materials used, or of stamps used to pay the tax on the quantity reported sold or removed. If such evidence is not furnished the tax omitted to be paid will be assessed.

The impression existing in many districts that deficiencies will be disregarded in the cigar account which do not exceed 1 per cent, and which are claimed to be caused by breakage and peculation, is not founded on any published statute, regulation, circular, or decision of the Commissioner of Internal Revenue, and is erroneous.

No allowance for 1 per cent, breakage, samples, peculation by the employés, poor material, imperfect manufacture, or incorrect method of keeping Government books will receive consideration. A proper compliance with the instructions contained in Tax Manual, Special No. 85, a copy of which should be supplied to every manufacturer and carefully read by him. The simplicity of the Form 72, the notes on the Inventory, Form 70b., and the opportunity for information easily obtained from the deputy on his visits, or the collector, or from this office, ought to enable every manufacturer to keep his book (Form 73) and make his reports correctly, and as required by law (section 3390) and regulations.

Claims for destruction of damaged material must be substantiated by certificate of local revenue officer.

It is the duty of the manufacturer to fully comply with these requirements and to make oath to his reports and inventory. Too frequently when an assessment is involved, based upon such sworn statements and reports on file, the manufacturer advances in mitigation affidavits, statements, and explanations tending to throw doubt upon his previously sworn statement, offsetting the same by entirely different reports and statements, alleging careless and improper entries, etc., and making it difficult for this office to decide as to what is the actual condition of affairs. Hereafter the annual inventory certified to by the deputy, and which should be the subject of care and precaution in the making and certification thereof, will be the basis of accountability on the part of each manufacturer, and collectors will instruct their deputies in making the annual inventory to exercise greater precaution than in the past.

The only proper subjects for allowance or credit that this office should be called upon in a general way to make would be in cases of fire, flood, burglary, etc., the deterioration and destruction of material (which latter must be done under a proper permit, supervised by a deputy).

The use of poor material by manufacturers, the perfection or imperfection of the cigars, or the system of keeping books predicated upon the count of the rollers or packers, or private memoranda, does not concern this office. It is expected that the books of the manufacturer will at all times show the true and actual condition of affairs, and if a manufacturer reports upon his Government book cigars as made and returns the same under oath on Form 72, it can not well be seen how the later statement as to causes controlled by himself and not a matter that is Governmental, should release him from any assessment that is levied for such apparent deficiency.

Upon the receipt of those estimated amounts of taxes omitted to be paid and the reasons therefor, the collector will immediately cause a notice to be served upon each and every tobacco, snuff, or cigar manufacturer whose accounts show any such estimated omissions, by delivering it or causing it to be delivered to him in hand, or by leaving it or causing it to be left at his last and usual place of abode, to appear at his office or at such other place in the district as the collector shall designate.

Said notice will be in form substantially as follows:

NOTICE OF HEARING UNDER SECTION 3371, REVISED STATUTES, AS AMENDED BY ACT OF MARCH 1, 1879.

To ——— ———, *of* ———,

In the County of ——— *and State of* ———:

You are hereby notified to appear at ——— in ———, in the county of ——— and State of ———, on the —— day of ———, 18—, at —— o'clock in the ——noon, and show cause, if any you have, why an assessment should not be made against you, in accordance with the accompanying statement, on account of ——— sold, or removed for consumption or use, without the use of the proper stamps, at which time and place you may appear and be heard.

Dated this —— day of ———, 18—.

——— ———,
Commissioner of Internal Revenue.

The party who serves the notice will make a sworn return of service upon the back of a copy thereof, which return may be in substance as follows, unless the following acknowledgment of service is signed by the person on whom it is served:

ACKNOWLEDGMENT OF SERVICE.

This may certify that I, ——— ———, within named, have this day received from ——— ——— an original notice, of which the within is a true copy.

——— ———.

Dated ———, 18—.

Witness:

——— ———.

PETURN OF SERVICE.

I certify that on the ——— day of ———, 18—, I gave in hand to, *or* left at the last and usual place of abode of* the within-named ——— ———, an original notice, of which the within is a true copy.

Subscribed and sworn to this ——— day of ———, before me.

——— ———.

If the manufacturer upon whom such notice has been served fails to appear, or to furnish to the collector at the time specified in the notice any evidence showing, or tending to show, that, notwithstanding the apparent deficiency exhibited in his account, he has not made any sale or removal of tobacco, snuff, or cigars upon which a tax is to be paid by stamps without affixing such stamps, then the collector will report the estimated amount, on Form 23*a*, to the Commissioner of Internal Revenue for assessment.

In case the manufacturer does appear, or, in case of failure to appear,

* The words "gave in hand to," or "left at the last and usual place of abode of," should be respectively erased as the case may require.

does furnish statements, explanations, and evidence tending to show that the estimated omissions found by the Commissioner are erroneous, and that an assessment ought not to be made, then the collector will immediately forward the same to the Commissioner of Internal Revenue, with any explanations which he, or any of his deputies, may have to make; and where the evidence is given in the form of affidavits or certificates, then the collector, or a deputy, will furnish certificates of the credibility of the parties making the same, and also make a recommendation in each and every case, and furnish all the evidence that he can obtain which will assist the Commissioner in determining what assessment, if any, should be made upon the manufacturer.

When the collector makes return on Form 23*a* or transmits the evidence aforesaid to the Commissioner, he will inclose a duplicate copy of the notice served upon the manufacturer, with an acknowledgment, or a return of service thereof, as indicated upon the form.

Collectors, in making abstracts on Form 144, will strictly comply with the following requirements. See Circular 348, dated August 27, 1890.

The use of the revised form.

The footnote instructions to be adhered to, especially with reference to the additions and footings of each page, and the supplemental sheet, consisting of a recapitulation.

In each case of deficiency, presumably ascertainable by the deputy at the time of making annual inventory, the statement, explanations, or affidavits of the manufacturer will be taken by the deputy, who should attach his certificate as to the facts, circumstances, credibility, etc., of the parties, forward the same to the collector, who will append his recommendation to each case, for or against assessment, and transmit the same with the Form 144 to this Office for consideration and action. This action will lessen the heretofore long delays, the calls for explanations from this Office, service of notices, etc., and also result in a large saving of the travel expenses of the deputy.

It is also suggested that where all the facts tend to prove a deficiency, and no good and sufficient circumstances exist to offset it, payment ought to be made promptly on demand by the collector, and so reported.

Collectors are notified that in all cases of manufacturers of cigars who file a closing inventory (Forms 144 and 147 to be forwarded as heretofore) and quit with tobacco or cigars "on hand" a careful supervision must be exercised by them and their deputies over both the tobacco and cigars. The late manufacturer will not be required to file monthly reports (Form 72), but will be required to satisfy the officer, who will at times visit the place, that the tobacco, etc., is "on hand" or properly accounted for. Should it be destroyed by fire, flood, stolen, etc., become unfit for use, and on request of the collector permit for destruction be granted by this Office, or if used by himself for cigars not for sale or removal, or if sold, the name of the buyer, number of fac-

tory, must be reported, such information to be tersely conveyed in the column "Remarks" on Form 144, so that the materials, etc., can be properly accounted for and traced to the new ownership.

On a supplemental sheet, Annual Form 144, the collector will continue to carry in its proper alphabetical arrangement, until finally closed out, all discontinued manufacturers in the district who quit with balances "on hand."

The removal of a discontinued manufacturer to another district, with "balances on hand," will be the occasion for a notification to be sent to the collector of the district to which the manufacturer has removed of the tobacco, cigars, or stamps for which the manufacturer is held accountable. Such removal and notification will be stated in "Remarks" on Form 144, and the manufacturer may then be dropped, to be taken up in the new district.

If the tobacco on hand of a discontinued manufacturer is sold or closed out in one transaction, his registration as a dealer in leaf tobacco will not be necessary, the one sale being considered as a casual transaction, and as a necessary incident to a closing up of the business.

New manufacturers, *i. e.*, those commencing business, changes in firms, etc., should not be reported in first column with tobacco "on hand," but be entered in "Purchased" column, and "Remarks" should show date of commencement and all other necessary facts and data.

This Office can not too strongly convey its wishes for collectors to succinctly state in "Remarks" all needed explanations, etc., and to perfect Form 144 and Form 146.

A careful compliance with all the above requirements will hereafter be expected.

EXPORTATIONS WITHOUT PAYMENT OF THE TAX.

1. Section 3385 of the Revised Statutes of the United States, as amended by the acts of June 9, 1880, August 8, 1882, and January 13, 1883, reads as follows:

SEC. 3385. Manufactured tobacco, snuff, and cigars intended for immediate exportation may, after being properly inspected, marked, and branded, be removed from the manufactory in bond without having affixed thereto the stamps indicating the payment of the tax thereon. The removal of such tobacco, snuff and cigars from the manufactory shall be made under such regulations, and after making such entries and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security as may be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury. There shall be affixed to each package of tobacco, snuff and cigars intended for immediate export, before it is removed from the manufactory, an engraved stamp indicative of such intention. Such stamp shall be provided and furnished to the several collectors as in the case of other stamps, and they shall account for the use of the same. When the manufacturer has made the proper entries, filed the bonds, and otherwise complied with the requirements of law and

the regulations as herein provided, the collector shall issue to him a permit for the removal, accurately describing the tobacco, snuff and cigars to be shipped, the number and kinds of packages, the number of pounds, the marks and brands, the State and collection district from which the same are shipped, the number of the manufactory and the manufacturer's name, the port from which the said tobacco, snuff and cigars are to be exported, and the route or routes over which the same are to be sent to the port of shipment. Upon the presentation to the collector of internal revenue of a detailed report from the inspector of customs, and a certificate of the collector of customs at the port from which the goods are to be exported that the goods removed from the manufactory under bond and described in the permit of the collector of internal revenue have been received by the said collector of customs, and that the said goods were duly laden on board of a foreign-bound vessel, naming the vessel, and that the said merchandise was entered on the outward manifest of said vessel, and that the said vessel and cargo were duly cleared from said port, and on the payment of the tax or [on] deficiency, if any, the bonds, which have been given or shall hereafter be required to be given under the provisions of this section shall be canceled. *But when the goods are exported to an adjacent foreign territory, by vessel or otherwise, said bonds shall be canceled upon such proofs of exportation as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.* Every person who, with the intent to defraud the revenue laws of the United States, relands or causes to be relanded within the jurisdiction of the United States any manufactured tobacco, snuff, or cigars which have been shipped for exportation under the provisions of this act, without properly entering such tobacco, snuff or cigars at the customhouse, and paying the proper customs and internal revenue tax thereon, or who receives such relanded tobacco, snuff or cigars, and every person who aids or abets in such relanding or receiving such tobacco, snuff or cigars, shall, on conviction, be fined not exceeding $5,000, or imprisoned not more than three years, and all tobacco, snuff or cigars so relanded shall be forfeited to the United States.

[The portion of section 3385, Revised Statutes, above printed in Roman letters is section 3385 as amended and reenacted August 8, 1882; the portion in *italics* is the addition made by the act of January 13, 1883.]

2. Section 24 of the act of February 8, 1875, entitled "An act to amend existing customs and internal-revenue laws, and for other purposes," provides—

That whenever any manufacturer of tobacco shall desire to withdraw the same from his factory for exportation under existing laws, such manufacturer may, at his option, in lieu of executing an export bond, as now provided by law, give a transportation bond, with sureties satisfactory to the collector of internal revenue, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, conditioned for the due delivery thereof on board ship at a port of exportation to be named therein; and in such case, on arrival of the tobacco at the port of export, the exporter or owner at that port shall immediately notify the collector of the port of the fact, setting forth his intention to export the same, the name of the vessel upon which the same is to be laden, and the port to which it is intended to be exported. He shall, after the quantity and description of tobacco have been verified by the inspector, file with the collector of the port an export entry verified by affidavit. He shall also give bond to the United States, with at least two sureties, satisfactory to the collector of customs, conditioned that the principal named in said bond will export the tobacco as specified in said entry, to the port designated in said entry, or to some other port without the jurisdiction of the United States. And upon the lading of such tobacco, the collector of the port, after proper bonds for the exportation of the same have been completed by the exporter or owner at the port of shipment thereof, shall transmit to the

collector of internal revenue of the district from which the said tobacco was withdrawn for exportation, a clearance certificate and a detailed report of the inspector; which report shall show the quantity and description of manufactured tobacco, and the marks thereof. Upon the receipt of the certificate and report, and upon payment of tax on deficiency, if any, the collector of internal revenue shall cancel the transportation bond. The bonds required to be given for the landing at a foreign port of such manufactured tobacco shall be cancelled upon the presentation of satisfactory proof and certificates that said tobacco has been landed at the port of destination named in the bill of lading, or any other port without the jurisdiction of the United States, or upon satisfactory proof that after shipment the same was lost at sea without fault or neglect of the owner or exporter thereof.

An act of Congress approved August 4, 1886, entitled "An act to provide for the inspection of tobacco, cigars, and snuff, and to repeal section three thousand one hundred and fifty-one of the Revised Statutes," provides as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That manufactured tobacco, snuff, and cigars may be removed, for export to a foreign country without payment of tax, under such regulations, and the making of such entries, and the filing of such bonds and bills of lading as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

SEC. 2. That section thirty-one hundred and fifty-one, of the Revised Statutes of the United States is hereby repealed.

SEC. 3. That this act shall take effect on the first day of the second calendar month succeeding that in which it is approved.

[As the foregoing-named act abolishes the office of inspector of tobacco, created by section 3151, Revised Statutes, the duties before required of inspectors in connection with the exportation of tobacco in bond have since been, and will hereafter be, performed by a deputy collector.]

3. The following rules and regulations apply only to exportations made under the provisions of section 3385, Revised Statutes, and the act of August 4, 1886, as above quoted. Exportations under the statute of February 8, 1875, above quoted, have not been made since section 3385, Revised Statutes, was amended so as to provide for the cancellation of the exporter's bond upon the presentation to the collector of internal revenue of the detailed report of the inspector of customs, and the certificate from the collector of customs that the goods have been received by him and laden and cleared, as therein specified.

4. As the act of 1875 provides for the giving of a bond conditioned for the production of evidence of landing, in addition to the bond calling for evidence of clearance as provided in section 3385, Revised Statutes, as amended, it is not probable that any exportations will hereafter be made under that act. Regulations are, therefore, not herein provided for such exportations.

5. For the purpose of carrying out the provisions of said sections, and by virtue of the authority conferred therein, the following rules and regulations are prescribed:

The manufacturer desiring to export manufactured tobacco, snuff,

cigars, and cigarettes, or either of them, will file with the collector of the district in which the manufactory is situated a combined notice and entry, for exportation, in triplicate, in the following form:

(PART 1—FORM A.*)

Notice and entry for exportation.

——— DISTRICT OF ———, ——— —, 18—.

The undersigned requests that the hereinafter-described merchandise, now at the manufactory No. ——, of ——— ———, at ———, may be exported therefrom to ———, by means of ———, as follows:

Marks, brands, and numbers.	Number and kind of packages and contents.	Cigars and cigarettes.	Tobacco and snuff, number of pounds.			Rate of tax.	Amount of tax.
		Number.	Gross.	Tare.	Net.		

——— ———.

To ——— ———, *Collector.*

6. In the blank space after the words "by means of," the applicant will insert the name of the vessel or line by which the merchandise is to be conveyed to the foreign port, and the name of the foreign port when the manufactory is situated at the port of shipment.

7. In case the manufactory is situated at a point distant from such port, the form of the notice and entry for exportation, above prescribed, will be used, with the exception that after the words "now at the manufactory No. ——, of ——— ———, at ———, may be," the following words will be substituted for the words "exported therefrom to ———, by means of ———," viz, "transported therefrom by means of ———, consigned to ——— ———, collector of customs at the port of ———, to be by such collector of customs placed on board a foreign-bound vessel, car, railway-train, wagon or wagon-train (as the case may be) bound to ———."

8. Upon receiving the foregoing notice and entry for exportation, Form A, the collector will append to each copy thereof, and issue to the deputy collector an order to inspect, weigh, mark, brand, or stencil the packages, and to affix thereto the proper export stamps.

* The Form A of these Regulations consists of (1) the notice and entry of the manufacturer, (2) the internal-revenue collector's order to the deputy collector, (3) the deputy collector's report, (4) the internal-revenue collector's permit, (5) the certificate of the collector of internal revenue to the collector of customs, (6) the collector of customs' order for examination and shipment, (7) the inspector of customs' report, and (8) the collector of customs' clearance certificate, all of which are to be printed on one sheet of paper in the order in which they occur in these Regulations.

The order of the collector will be in the following form, viz:

(PART 2—FORM A.) Order No. ——.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District of* —— ——, 18—.

SIR: You will proceed to the manufactory of —— ——, at —— ——, and there inspect, weigh, mark, and stamp, according to law and regulations, the (tobacco, snuff, cigars, or cigarettes) which the said —— —— desires to export in bond; and you will make entries of your inspection in detail, on the certificates hereto appended, and sign and deliver the three copies to me.

—— ——,
Collector.

To —— ——,
Deputy Collector.

9. It will be the duty of the deputy collector to examine each package carefully to see that it contains tobacco, snuff, cigars or cigarettes, as alleged, and that its contents are such as the law allows; that each package of tobacco and snuff has printed or marked thereon the manufacturer's name and place of manufacture, and the registered number of the manufactory, and that the label required by section 3364, Revised Statutes, is properly affixed.

10. The deputy collector will HIMSELF ascertain the gross weight, tare, and net weight, and mark each in plain figures upon the packages, by branding or stenciling, together with his own name and title, date of inspection, and collection district.

11. In every case he will see that the export stamp is affixed to each package and canceled, unless several small packages are put up in one package, in which case the export stamp will be affixed to the outer case or cask, and the deputy collector will also brand or stencil upon such outer cask his name and title, the date of inspection, collection district, kind of contents, and the gross weight, tare and net weight of the whole package.

12. The deputy collector's report will follow the collector's order on Form A, and will be in the following form, viz:

(PART 3—FORM A.)

——, —— —, 18—.

I hereby certify that I have this day inspected, weighed, marked, and stamped, according to law and regulations, the following described merchandise, viz:

Marks, brands, and numbers.	Number and kind of packages and contents.	Cigars and cigarettes.	Tobacco and snuff, number of pounds.			Rate of tax.	Amount of tax.
		Number.	Gross.	Tare.	Net.		

produced in the manufactory of ——— ———, at ———, and that the foregoing entries are true, correct, and complete.

I also certify that I have examined each package carefully, and ascertained that the contents are such as the law allows; that each package containing tobacco or snuff has printed or marked thereon the manufacturer's name and place of manufacture, and the registered number of the manufactory; and that the label required by section 3364 is properly affixed; also, that the cigars and cigarettes above described are packed in the boxes or put up in the packages required by section 3392, Revised Statutes as amended.

——— ———.

13. The deputy collector, upon making his certificate of inspection on each copy of the order, will deliver the same to the collector.

14. The collector will, upon receipt of the report of the deputy collector, require the exporter to execute and deliver to him a bond, with at least two good and sufficient sureties, in a penal sum equal to double the amount of the tax on the merchandise to be exported, in the following form, viz:

(FORM B.)

Exportation bond.

Know all men by these presents, that we, ——— ———, as principal, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the just and full sum of ——— dollars; for the payment of which sum we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Sealed with our seals, and dated ———, this —— day of ———, 18—.

Whereas the above-bounden ——— ———, principal, has made request to ——— ———, collector of the —— district of the State of ———, for the transportation of the following described tobacco, snuff, cigars, or cigarettes to the port of ——— for exportation to ———, viz:

Marks, brands, and numbers.	Number and kind of packages and contents.	Number of cigars or cigarettes.	Number of pounds.			Rate of tax.	Amount of tax.
			Gross.	Tare.	Net.		

by ——— (here insert a description of the routes to be taken, as specified in the entry), from manufactory No. ——, owned by ——— ———, at ———, in the district and State aforesaid: Now, therefore, the condition of this obligation is such, that if the collector of internal revenue for the ——— district of the State of ——— shall receive within forty-five days from the date hereof the detailed report from the inspector of customs required by regulations, and a certificate from the collector of customs at the port of ——— that the goods as above described have been received by the said collector of customs, and that said goods were duly laden on board of the

foreign-bound vessel named in said certificate, and that the said merchandise was entered on the outward manifest of said vessel, and that said vessel and cargo were duly cleared from said port, and upon payment of the tax on deficiency, if any, as specified in section 3385, Revised Statutes, as amended, this obligation to be void; otherwise, to be and remain in full force and virtue.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Signed, sealed, and delivered in the presence of—
——— ———.
——— ———.

15. When the articles are to be exported by cars or other land conveyances through frontier ports to adjacent territories the condition of the foregoing bond will be changed so as to read as follows:

Now, therefore, the condition of this obligation is such that if the said collector of internal revenue for the ——— district of the State of ——— shall receive within forty-five days from the date hereof the detailed report from the inspector of customs required by regulations, and a certificate from the collector of customs at the port of ———, that the goods as above described have been received by said collector of customs, and that said goods were duly laden on board the car, railway-train, wagon or wagon-train named in said certificate, and that the said merchandise was entered on the manifest or waybill of said car, railway-train, wagon or wagon-train, and that said merchandise was transported through this port into foreign territory in strict conformity with the customs laws governing exportations to adjacent foreign territory, then, upon payment of the tax on deficiency, if any, as specified in section 3385, Revised Statutes, as amended, this obligation to be void; otherwise, to be and remain in full force and virtue.

16. Collectors will use the utmost care and scrutiny to ascertain the ample responsibility of all the signers of bonds, and when the sufficiency of the sureties is not personally known to the collector, he will require them to justify in the manner prescribed in Form 33. Collectors will observe that sureties are not to be accepted simply because they justify on Form 33. The principal object of that form is to obtain statements which the collector can and is required to investigate, in all cases, in order to determine the truth or falsity of the same; and no bond should be finally accepted until the statements in that form are found to be true.

17. The bond Form B having been duly executed and delivered to the collector, and approved by him, he will indorse a permit on each copy of the Form A in the following form, viz:

(Part 4—Form A.)

Office of Collector of Internal Revenue,
——— *District, State of* ———, ——— —, 18—.

Permission is hereby given you to remove from your manufactory, No. ——, situated in ———, in the ——— district of the State of ———, for exportation to ———, by means of [here insert name of the vessel or line by which the merchandise is to be conveyed to the foreign port; also a full description of the route or routes over

which it is to be sent to the port of export, and the name of such port] ———, the following described merchandise:

Marks, brands, and numbers.	Number and kind of packages and contents.	Cigars or cigarettes, number.	Tobacco or snuff, number of pounds.			Rate of tax.	Amount of tax.
			Gross.	Tare.	Net.		

you having filed the required bond, and otherwise complied with the regulations as to the exportation of such merchandise.

The certificate of inspection of said tobacco and the clearance certificate for the same, identically as specified in section 3385, Revised Statutes, as amended, being the evidence of exportation provided by said section for the cancellation of the exportation bond, it becomes important that, as required by regulations, on the arrival of the above-described merchandise at the above-named port of export, you, in person or by your agent, immediately notify the collector of customs of the fact, setting forth your intention to export the same, the name of the vessel, car, railway-train, wagon or wagon-train, as the case may be, upon which the same is to be laden, and the port to which it is intended to be exported; also, that, after such notice, you do not lade the goods on the foreign-bound vessel or vehicle without giving the collector of customs a reasonable time (not less than six hours if needed) within which to have the goods inspected; also, that you cause the goods to be promptly entered on the shipper's manifest in order that they be not omitted from the ship's manifest which is made up from shippers' manifests. You may, if you wish, obtain from the collector of customs a written acknowledgment of your notice to him, setting forth the day and hour of its service.

——— ———,
Collector.

To ——— ———.

18. To facilitate the transmission of papers relating to the exportation of tobacco in bond the collector will, "after indorsing his permit on Form A, deliver one copy thereof to the exporter, and will then transmit the remaining copies, together with the following certificate, to the collector of customs by *first mail*, or by special messenger when the permit is issued at the port from which the tobacco is to be exported."

(Part 5—Form A.)

To Collector of Customs, Port of ———.

Sir: The within merchandise is shipped under section 3385, Revised Statutes, as reenacted August 8, 1882, [when the exportation is to adjacent foreign territory otherwise than by vessel, add the words "and amended by the act of January 13, 1883."]

These Forms A are forwarded to you by *first mail* that you may anticipate the arrival of the manufactured tobacco named therein, and see that it is not permitted to be laden on a foreign-bound vessel, or to pass into foreign territory without having been *inspected* and entered upon the manifest of the vessel, train, car or wagon, as the case may be. See also act of August 4, 1886.

The certificate of inspection of said tobacco and the clearance certifiate for the same,

identically as specified in section 3385, Revised Statutes, as amended, being the evidence of exportation provided by said section for the cancellation of the exportation bond, it becomes important that these certificates should be obtained and returned to me at the *earliest practicable moment.*

——— ———,

Collector of Internal Revenue, —— *District* ———.

The collector will also promptly forward to the collector of customs one of the three bills of lading received by him upon the delivery to the applicant of one of the copies of Form A with the permit indorsed thereon.

19. The copy of Form A received by the applicant must be presented by him to the deputy collector on or before the tenth day of the proper month, in company with the monthly abstract required by section 3358, Revised Statutes, and the deputy collector must return the same to the collector.

20. The bond having been duly executed and delivered to the collector, and approved by him, the manufacturer will be allowed to export the goods by the vessel, car, railway-train, wagon or wagon-train, as the case may be, and over the route or routes designated in his entry, and will be required to obtain and deliver to the collector three bills of lading, which must in every case be through bills to the port of export named in the permit, part 4, Form A, and which shall bind each steamship, railroad, or other transportation company, and the owner or proprietor of each vessel or other conveyance transporting said goods while in their custody, and being transported by them from the place of original shipment to the place of final delivery.

21. In all cases the goods will be consigned directly to the collector of customs of the port of entry or frontier port, as the case may be.

22. The collector of customs is not to be regarded in any sense as the shipper of the goods. They are consigned to him in order that he may see that they are exported according to law, and in order to protect them from seizure by reason of the absence of tax-paid stamps.

23. The manufacturer of the tobacco must make arragements for shipment, rate, and payment of freight, and the like details, with the transportation company, owner or proprietor of the vessel or other conveyance; and the parties may be allowed to specify in the bill of lading the conditions of their agreement in respect to those matters, but nothing must be incorporated therein which will in any manner impair the obligation of the owner and transportation companies to forward and deliver such goods to the designated collector of customs at the port of entry named in the permit; and the manufacturer shall take all necessary measures to insure the safe delivery of the tobacco to the said officer.

24. Three bills of lading are required for the use of the Government—one to be filed in the office of the collector of internal revenue, one to be sent to the collector of customs to whom the goods are consigned,

and the other to be sent to the Commissioner of Internal Revenue, together with the bonded account. The shipper can have additional copies for his own use if he desires.

25. Collectors will exercise the utmost care to ascertain the responsibility of companies or owners of conveyances giving such bills of lading.

26. A form of bill of lading is not prescribed, but Form CC following is suggested. Any other form, however, may be used, provided that the requirements in these regulations in regard to bills of lading are complied with in the bill so used.

(FORM CC.)

Bill of lading.

OFFICE OF ——, ——
——, —, 18—.

Received from —— ——, of ——, State of ——, the following-described merchandise, in good order, consigned as marked and numbered in the margin, to be transported in bond for —— ——, [here give the name of the owner or principal to the bond,] over the line of this —— to ——, and delivered in like good order to —— ——, collector of customs at the port of ——, State of ——, or his successor in office, and under his direction to be placed on board a foreign-bound vessel, car, railway-train, wagon or wagon-train, or in a bonded warehouse, should the vessel, car, railway train, wagon, or wagon train not be prepared to receive the merchandise, the said —— —— [here insert the name of owner] paying freight and all charges on the said merchandise; and the rate of freight for the transportation of said packages from the place of shipment to —— shall not exceed —— per ——.

In witness whereof, the agent of the said —— company hath affirmed to three bills of lading, all of this tenor and date, one of which being accomplished, the others to stand void.

Marks, brands, and numbers.	Number and kind of packages and contents.	Cigars and cigarettes.	Tobacco and snuff, number of pounds.			Rate of tax.	Amount of tax.
		Number.	Gross.	Tare.	Net.		

—— ——,
Freight Agent.

27. If the exportation is to be made to a port in adjacent foreign territory by railroad on a through train direct from the manufactory to the foreign port, the number and description of the car containing the goods should be given, so that the collector at the frontier port may readily recognize it.

28. If the exportation is to be made into adjacent foreign territory, and the goods are transferred at a point *en route* into a car that passes into foreign territory, the agent of the exporter at the point where the trans-

fer is made will promptly notify the collector of customs at the frontier port as to the number and description of the car.

29. On arrival of the tobacco at the port of entry, the exporter, or his agent at that port, shall *forthwith notify the collector of customs of the fact*, setting forth his intention to export the same, the name of the vessel, car, railway train, wagon or wagon train, as the case may be, upon which the same is to be laden, and the port to which it is intended to be exported.

30. The exporter must, after notifying the collector of customs, allow the inspector at least six hours for inspection before lading the merchandise on the foreign-bound vessel, car, or wagon, unless the goods are inspected sooner.

31. Upon receiving this notice from the exporter or agent, the collector of customs will indorse on each of the copies of Form A received by him an order for examination and shipment, and will deliver them to the surveyor.

32. The orders will be in the following form:

(PART 6—FORM A.)

Order for examination and shipment.

No. ——. PORT OF ——, ——— —, 18—.

TO THE SURVEYOR: You will direct the proper officer to examine and ascertain the quantity, marks, and proper description of the merchandise transported by ——— ———, for shipment on board the ———, as per the annexed notice of shipment, and mark with some appropriate device or appendage each article or package thereof, and superintend the lading of the same on board said vessel, car, train, wagon or wagon-train, as the case may be, and make due return to this office.

——— ———,
Collector.

33. To this order the surveyor will append his order to the inspector, viz:

Inspector ——— ——— will execute the foregoing order.

——— ———,
Surveyor.

34. If, in executing the foregoing order, the inspector is led to suspect that the packages have been broken or tampered with, the merchandise will be weighed and a special report of the actual contents made.

35. If, on arrival of the tobacco, snuff, cigars, or cigarettes at the port of entry, the vessel from any cause be not prepared to receive the same, or the collector of customs is not immediately notified by the exporter or his agent, as required in paragraph 29, they shall be treated as unclaimed goods, and delivered by the transportation company, under the direction and supervision of the collector of customs, into bonded warehouses or stores provided for the reception of such goods, to be kept in the same manner as provided by law for that class of mer-

chandise, at the risk and expense of the owner, which expense shall be a charge on the goods. If the goods remain in the bonded warehouse thirty days, the collector of customs will notify the collector of internal revenue from whose district the goods are received of the fact: *Provided*, That if the exporter or his agent at the port of exportation is the owner of the vessel on which the intended exportation is to be made, and is also the owner of the inclosed dock for the accommodation of the vessel or the transportation line of which the vessel forms a part, which dock is secured by locks, guarded by a trustworthy watchman, and constantly in charge of the collector of customs, and is satisfactory to him, and provided that such exporter or agent files with the collector of customs a bond, with sureties satisfactory to such collector, in a penal sum double the amount of the internal-revenue tax on the goods intended to be so deposited, such collector may authorize the delivery of the goods into such inclosed dock instead of into the bonded warehouse established for the reception of unclaimed goods.

In case the transportation company giving the bill of lading, conditioned for the delivery of manufactured tobacco, cigars, cigarettes and snuff, withdrawn for exportation free of internal-revenue tax, is willing, the collector of customs may allow the same to remain in its warehouses, at the port of export, until the foreign-bound vessel is ready to receive the same, for a period not exceeding fourteen days, provided he is satisfied with the security of the warehouse, that it is under proper surveillance, and that he and his officers have free access thereto, and that such delay does not prevent the collector from issuing his clearance certificate in time to reach the internal-revenue collector within the forty-five days' limit fixed by the bond. In such cases, however, the exporter or his agent, at the port of export, may apply for a certain specified extension of time on the bond, as provided in Article 40. Such application should be made in time to reach the Commissioner of Internal Revenue before the expiration of the forty-five days, and the exporter or his agent should state the cause which prevented the exportation, and why the specified additional time is needed.

36. The inspector of customs, in whose charge the tobacco has been placed, will oversee and superintend the lading of the same on board the vessel, train, car or wagon, as the case may be, stated in the export entry, and, within six hours after the shipment shall be completed, he will make a full report thereof on the copies of the Forms A in his possession, to the collector, in the following form, viz:

(PART 7—FORM A.)

Return of lading.

PORT OF ——, ——— —, 18—.

I hereby certify that, in pursuance of order No. ——, issued by the collector of customs upon the annexed notice of shipment, the following described merchandise has been duly inspected by me and laden, under my supervision, on board the ———, for exportation to ——— :

Marks, brands, and numbers.	Number and kind of packages and contents.	Cigars or cigarettes.	Tobacco or snuff, number of pounds.			Rate of tax.	Amount of tax.
		Number.	Gross.	Tare.	Net.		

——— ———

Inspector.

37. Upon the receipt of the Forms A, with the return of lading indorsed thereon, and after the clearing of the vessel or other conveyance having the tobacco, snuff, cigars or cigarettes on board, the collector of customs will transmit, *without delay*, to the collector of internal revenue, from whose district the goods were received, these Forms A, with clearance certificates indorsed thereon, in the following form, viz:

PART 8—FORM A, REVISED.

BOND NO. —

Clearance certificate.

Certificate No. —

CUSTOM HOUSE, PORT OF ———,
——— —, 18—.

This is to certify that there was received by me at this port the following decribed ——— [tobacco, snuff, cigars, or cigarettes, as the case may be] :

Marks, brands, and numbers.	Number and kind of packages and contents.	Cigars and cigarettes.	Tobacco and snuff, number of pounds.			Rate of tax.	Amount of tax.
		Number.	Gross.	Tare.	Net.		

which said goods were removed from manufactory No. ——, operated by ——— ———, in the —— collection district of the State of ———, under a bond dated — ——— —, 18—, and a permit of the collector of internal revenue, dated ——— —, 18—.

I further certify that the said merchandise was duly inspected and marked at this port and laden on board the foreign-bound ——— (vessel, train, car or wagon, as the case may be), whereof ——— ——— is master, under supervision of a proper officer; that the said merchandise was duly entered on the outward manifest of the said vessel, and that said vessel and cargo were duly cleared from this port for the port of ——— ———, on the —— day of ———, 18—.

[In case of exportation to adjacent foreign territory otherwise than by vessel, this paragraph will be modified so as to read as follows:]

"I further certify that the said merchandise was duly inspected and marked at this port, and laden on board of [car train or wagon] No. ——, of the ——— railroad company, or transportation company (as the case may be), and that said merchandise was duly entered on the manifest or waybill of the said [car, train or wagon], and that said [car, train or wagon] left this port for the [city or town] of ———, in ———; on the —— day of ———, 18—, and were transported into the adjacent foreign territory in strict conformity with the customs laws governing exportations to adjacent foreign territory.

Witness my hand and seal the date above stated.

[L. S.]

——— ———,
Collector of Customs.

To ——— ———,
Collector of Internal Revenue, —— District of ———.

38. In all cases of exportation by railroads the clearance certificate of the collector of customs and the detailed report of the inspector *at the frontier port* must be produced, and the clearance certificate of a collector of customs at any other port but the frontier port will not be received.

39. Upon the receipt of the detailed report of the inspector of customs and the foregoing clearance certificate of the collector of customs, the collector of internal revenue will cancel the bond, and take credit therefor on the next report of his bonded tobacco account, Form 94*b*.

40. In case the exporter, from causes beyond his control, is unable to furnish the proper evidence of the exportation of the tobacco, snuff, cigars or cigarettes, within the time named in the bond, he may make an application to the collector of internal revenue for an extension of time.

41. On the application of the exporter for an extension of time on any bond, under these regulations, the collector of internal revenue taking the bond may forbear to report it for prosecution for a period after its maturity of twenty-five days, provided, the *sureties assent in writing, under seal, and continue responsible*, and that evidence be presented, under oath, showing that *due effort has been made* to satisfy the conditions of the bond. Such application must state specially the cause of failure to produce the evidence of exportation of the tobacco, snuff, cigars or cigarettes, and be verified *under oath*.

42. If, however, an extension of time greater than twenty-five days is necessary, the application must be forwarded by the collector of internal revenue to the Commissioner of Internal Revenue for his action. The collector will indorse his opinion thereon as to the propriety of granting the same, and will certify as to whether the bond is good and sufficient,

and as to whether any loss will probably occur by granting such extension. [For provision as to extension of time for production of proof of landing in a foreign country see Article 51.]

COLLATERAL EVIDENCE OF EXPORTATION.

LANDING CERTIFICATE.

43. If, however, the exporter is unable to obtain the detailed report from the inspector of customs (36) and the certificate of the collector of customs (37) as above specified, he may submit in lieu thereof the landing certificate prescribed in these regulations in the case of drawback on tobacco, snuff, and cigars.

44. Such proof of landing will be filed with the collector of internal revenue with whom the export bond, Form B, is filed, who will forward the same with the other papers, and with his recommendation, to the Commissioner of Internal Revenue.

45. If the proof of exportation in such cases is satisfactory, the same will be accepted and the exportation bond canceled under the authority conferred by section 1, act of August 4, 1886, before quoted.

OTHER PROOFS OF LANDING.

46. In case of inability on the part of the exporter to produce the evidence of exportation prescribed in these regulations, application for relief may be made to the Commissioner of Internal Revenue through the collector of internal revenue, with whom such evidence is required by regulations to be lodged.

47. The application in such cases must be under oath, and must recite the facts connected with the alleged exportation, setting forth the date of shipment, the kind, quantity, and value of the merchandise shipped, the name of the consignee, and the name of the vessel by and the port to which the shipment was made. The applicant will also state in what particular the regulations of the Department respecting the proofs of exportation have not been complied with and the cause of failure to produce such proofs; that such failure was not occasioned by any lack of diligence on his part or that of his agents, and that he is unable to procure any other or better evidence than that submitted with his application.

48. The evidence submitted in such cases may embrace original bills of lading and verified original or verified copies of letters from consignees advising the shipper of the arrival or sale of the goods, with such other statements respecting the failure to furnish the prescribed evidence of exportation as may be obtained from the consignees, or any other person having knowledge thereof.

49. When any letters or other documents submitted are in a foreign

language, they must be accompanied by sworn translations, and when the letters fail to sufficiently identify the goods, the original bill or account of sales must be produced.

PROOFS OF LOSS AT SEA.

In case of inability of the exporter to produce the evidence of landing at a foreign port, prescribed in these regulations, in consequence of the loss of the goods, or any portion thereof, at sea, the bond (Form B), may be canceled, upon satisfactory proof being furnished to the Commissioner of Internal Revenue that such goods were actually lost at sea, without fault or neglect of the owner or exporter thereof. Application for relief in such cases must be made in writing, under oath or affirmation, by the claimant to the collector of customs with whom the export entry was filed, setting forth (1) the extent of the loss, (2) the location and manner of shipwreck, or other casualty, and the time of its occurrence, and (3) that the loss occurred without fault or neglect of the owner or exporter thereof. This affidavit must be accompanied (4) by the affidavits of two or more credible and disinterested persons, as to the injury, loss, or destruction aforesaid. Where the goods have been insured (5) the certificate of the insurance company, or board of underwriters, that the insurance has been paid, and that to the best of their knowledge and belief the goods were actually destroyed, will be required; and, when obtainable, (6) the oath of the master and mate of the vessel, detailing the manner and extent of the loss, and (7) the time, and (8) locality of the disaster, will be required.

The collector with whom such proofs are filed will forward the same to the Commissioner of Internal Revenue, giving his views as to the character of the proof and the validity of the claim, together with any facts relative thereto, not set forth in the accompanying papers, which he may deem useful in determining the propriety of allowing the same.

If the proof of landing or loss at sea submitted is satisfactory to the Commissioner of Internal Revenue, the export bond (Form B) will be canceled, otherwise the bond will be placed in suit.

APPLICATION FOR EXTENSION OF TIME IN WHICH TO PRODUCE EVIDENCE OF LANDING.

In case the exporter, from causes beyond his control, is unable to furnish the proper evidence of the exportation of the tobacco, snuff, cigars or cigarettes within the time named in the bond, and desires to substitute evidence of landing therefor, an extension of time, for a period sufficient to procure such evidence, may be obtained upon application therefor, provided such application is supported by evidence satisfactorily showing the cause of failure to procure such evidence of exportation, and by the written consent of both principal and sureties to the bond to the extension of time asked for. The written consent in

such cases must be executed under seal and duly acknowledged, as in case of the execution of a bond. And the application for extension in such cases will be filed with the collector of internal revenue, who will forward the same, with accompanying papers, to the Commissioner of Internal Revenue, with his opinion as to the propriety of granting the same. The name of the foreign port must be stated in the application.

PROCEEDINGS UPON BONDS FOR ANY BREACH.

Provision is made in these regulations for extending the time on bonds in case the sureties give written consent, and their sufficiency is continued, and it is shown that due diligence has been exercised by the principals in attempting to comply with the conditions thereof. In cases, however, where the time named in the bond expires and its conditions are not complied with, and the time is not extended, or in case of extension when the additional time granted by the collector of internal revenue, or in case of additional extension by the Commissioner, the time named in such final extension expires without compliance on the part of the principal of the bond with the conditions thereof, the collector of internal revenue will deliver the bond into the hands of the United States district attorney for suit, taking the attorney's receipt therefor. And the collector of internal revenue will report to the Commissioner, in column 16, inside page of Form 94 *b*, the dates of United States district attorney's receipts delivered to him.

BONDED TOBACCO ACCOUNT OF COLLECTORS OF INTERNAL REVENUE.

53. All collectors in whose districts manufactured tobacco, snuff, cigars or cigarettes are bonded for export are required to render a monthly account of all such articles to the Commissioner of Internal Revenue, to be adjusted monthly, so as to exhibit a true statement of the liability and responsibility of every such collector on such account.

54. Collectors in whose districts manufactured tobacco, snuff, cigars or cigarettes are not so bonded, will, on or before the tenth day of each month, certify, on Form No. 4, that they have "nothing to report on Form 94*b*, Revised."

55. The collector will be charged with the quantity of such merchandise produced and bonded in his district, and with any excess, over the quantity stated in the bond, ascertained at the port of export, or elsewhere.

56. The collector will be entitled to credit for the quantity exported, and for any deficiency on which he has collected tax.

57. The account will be rendered on Form 94*b*, instructions for the use of which are printed on the face thereof.

VOUCHERS.

58. The vouchers, which must accompany and be forwarded to the Commissioner with the bonded account, are the following:

1. Exportation bond, Form B.
2. Bill of lading.
3. Form A (containing (1) notice and entry for exportation, (2) collector's order to inspector, (3) inspector's report, (4) collector's permit, (5) certificate from collector of internal revenue to collector of customs, (6) order of collector of customs to surveyor, (7) return of lading, and (8) clearance certificate).
4. Proofs of landing in a foreign country or loss at sea, where the same are filed in lieu of the proof of clearance.

59. When forwarded by the Collector to the commissioner, the vouchers should be arranged in the following order:

1. Bond,
2. Bill of lading,
3. Form A.

All to be *securely fastened together*, by pinning or otherwise, then folded and indorsed on the outside (the back of the bond when so folded affording an appropriate place for the indorsement) as follows: "Serial No. of bond—; Vouchers accompanying monthly bonded account of ——— ———, collector ——, district of ———, for ———, 18—."

(FORM 120, REVISED.)

Deputy collector's itemized statement of tobacco, snuff, cigars, and cigarettes intended for exportation and inspected during the month.

60. Each deputy detailed to inspect tobacco is required to render to this office, on or before the 10th of each month, an itemized statement of all the tobacco inspected by him during the preceding month, giving date of inspection, name of manufacturer, brand of tobacco, serial number of export stamp, number of packages; tobacco and snuff, pounds, at 8 cents (from and after January 1, 1891, at 6 cents), and cigars and cigarettes, at $3 per thousand; cigarettes, at 50 cents per thousand; the name of the foreign port to which the tobacco is intended to be exported, and the number of stamps affixed and canceled by him.

61. Collectors will be furnished on application with a blank book, No. 49, designated "Collector's Record of Bonded Tobacco," in which they will record all the particulars in regard to each bond taken, which they are required to report on the several revised monthly detailed statements as to tobacco, snuff, cigars and cigarettes removed in bond.

DRAWBACK.

Section 3386, United States Revised Statutes, as amended by section 16 of the act of March 1, 1879, provides that—

There shall be an allowance of drawback on tobacco, snuff and cigars, on which the tax has been paid by suitable stamps affixed thereto before removal from the place of manufacture, when the same are exported, equal in amount to the value* of the stamps found to have been so affixed; the evidence that the stamps were so affixed, and the amount of tax so paid, and of the subsequent exportation of the said tobacco, snuff and cigars, to be ascertained under such regulations as shall be prescribed by the Commissioner of Internal Revenue, and approved by the Secretary of the Treasury. Any sums found to be due under the provisions of this section shall be paid by the warrant of the Secretary of the Treasury on the Treasurer of the United States, out of any money arising from internal duties not otherwise appropriated: *Provided,* That no claim for an allowance of drawback shall be entertained or allowed until a certificate from the collector of customs at the port from which the goods have been exported, or other evidence satisfactory to the Commissioner of Internal Revenue, has been furnished, that the stamps affixed to the tobacco, snuff or cigars entered and cleared for export to a foreign country were totally destroyed before such clearance; nor until the claimant has filed a bond, with good and sufficient sureties, to be approved by the collector of the district from which the goods are shipped, in a penal sum double the amount of the tax for which said claim is made, that he will procure, within a reasonable time, evidence satisfactory to the Commissioner of Internal Revenue that said tobacco, snuff or cigars have been landed at any port without the jurisdiction of the United States, or that after shipment the same were lost at sea, and have not been relanded within the limits of the United States.

Section 25 of an act approved February 8, 1875, declares—

That if any person or persons shall fraudulently claim or seek to obtain an allowance or drawback of duties on any manufactured tobacco, or shall fraudulently claim any greater allowance or drawback thereon than the duty actually paid, such person or persons shall forfeit triple the amount wrongfully or fraudulently claimed or sought to be obtained, or the sum of five hundred dollars, at the election of the Secretary of the Treasury, to be recovered as in other cases of forfeiture provided for in the internal-revenue laws.

1. To obtain the drawback provided for in the foregoing sections, the exporter must, at least six hours previous to shipment, file with the collector of customs the following entry, in duplicate:

---

* Sec. 30 of an act approved October 1, 1890, provides: "That on and after the first day of January, eighteen hundred and ninety-one, the internal taxes on smoking and manufactured tobacco shall be six cents per pound, and on snuff six cents per pound." In view of the foregoing provision of law, and the rebate provided for by an act approved December 15, 1890, on tax-paid tobacco and snuff in hands of manufacturers and dealers January 1, 1891, the allowance of drawback under Sec. 3386, R. S., on tobacco and snuff entered for export on and after January 1, 1891, will be at the then existing rate of tax, viz.: six cents per pound.

(FORM I.)

No. ——.

For internal-revenue drawback.

PORT OF ——, —— —, 18—.

Entry of merchandise upon which internal-revenue tax has been paid, intended to be exported by me [or us, as the case may be] to ——, by the ——, now lying at ——, whereof —— —— is master:

Marks and numbers.	Kind of merchandise.	Number of packages.	Contents of packages.	Value.		Rate of tax.	Denomination, serial numbers, and dates of stamps affixed.	Value of stamps affixed.		Name and district of manufacturer.

—— ——, *Exporter.**

Oath of exporter.

I, —— ——, do solemnly, sincerely, and truly swear that the articles described in the foregoing entry, to be laden on board the ——, are truly intended to be exported as therein stated, and not to be brought back or relanded within the limits of the United States. And I do further swear that the kind, quantity, and value of said merchandise as stated in said entry are correct; that the internal-revenue tax thereon, amounting to —— $\frac{}{100}$ dollars ($—— $\frac{}{100}$), has been paid; that —— ——, of ——, is [or are] justly entitled to a drawback of said tax to the amount stated; and that no previous allowance or drawback has been made or claimed on said merchandise, or any part thereof.

—— ——, *Exporter.**

Subscribed and sworn to before me this —— day of ——, 18—.
[SEAL.] —— ——, *Collector of Customs.*

[The foregoing affidavit must, in every case, be executed before a customs officer.]

2. In addition to the foregoing entry, the exporter will, before the vessel upon which the merchandise is laden has cleared for the foreign port, file with the collector of customs a bill of lading covering such merchandise, the validity of which is to be certified to by the collector in his certificate (Form N).

* When the merchandise covered by the foregoing entry is to be exported by, or on account of, a firm, the firm name must in every such case be signed to the entry by a member of the firm. The oath of the exporter will also be signed by a member of the firm cognizant of the facts, and the words "member of firm of —— ——" [here insert name of firm] will immediately precede the word "exporter."

3. Upon the receipt of the entry, (Form I,) duly executed, the collector, or his deputy, will, in order that the merchandise may be duly inspected by an internal-revenue officer before being laden on board the exporting vessel, immediately notify the collector of internal revenue in charge of exports that such entry has been filed.

The notice will be in the form following:

PORT OF ——, ——— —, 18—.

SIR: You are hereby notified that an export entry has been filed in this office by ——— ———, covering certain articles upon which the internal-revenue tax is said to have been paid; and that, upon the arrival of an officer to be designated by you, an order for the lading of such articles will be issued.

——— ———,
Collector of Customs.

To ——— ———, esq.,
Collector in Charge of Exports and Drawbacks.

4. Upon the receipt of this notice, the collector in charge of exports will immediately detail an officer to accompany the customs officer to the place where the merchandise is located, and there make the inspection hereinafter required.

Upon the arrival of the internal-revenue officer at the customhouse, the collector of customs will deliver to the surveyor the duplicate entry, (Form I,) with the following order indorsed thereon:

(FORM J.)

Order No. ——. PORT OF ——, ——— —, 18—.

To the SURVEYOR:

You will please direct the proper officer to accompany Officer ——— to ———, and to superintend the lading of the within-described articles, after the same shall have been duly inspected, and to make due return to this office.

——— ———,
Collector of Customs.

To this order the surveyor will append the following:

Inspector ——— will execute the foregoing order.

——— ———, *Surveyor.*

[In shipments of tobacco or snuff, the collector will add to the above order a direction that the merchandise be weighed.]

5. The officer named in the order (Form J) will, with the customs inspector, have joint custody of the duplicate entry until the examinations, comparisons, and reports are made by them, as hereinafter required.

The officer detailed by the collector in charge of exports, after having first satisfied himself that the article offered for shipment is identical with that named in the entry, will, in the presence of the customs officer, totally destroy all revenue stamps affixed to the packages.

The return of inspection and lading will be in the forms following:

FORM K.

Return of Inspection.

PORT OF ———, ——— —, 18—.

I hereby certify that, in pursuance of your order of ——— —, 18—, the merchandise described at the close of this certificate, now laden on board the ——— for exportation to ———, has been duly examined by me and found to agree with the merchandise described in the export entry filed by ——— ——— with the collector of customs of this port. And I further certify that, of the merchandise described at the close of this certificate, the following-described packages, selected by chance, without suggestion from any one, were opened by me at the time of said inspection and found to contain the articles as described in said entry, and that the said articles were found to be duly stamped, as required by law, viz:

Marks and numbers.	Number of cases opened.	Contents of each case—specific description of	Number and denomination of stamps.

And I further certify that I have entirely destroyed all the tobacco, snuff and cigar stamps described in the following statement, which contains a specific description of all the merchandise laden and examined, as follows, viz:

Marks and numbers.	Kind and description of merchandise.	Number of packages.	Contents of packages.	Value.	Rate of tax.	Denomination, serial numbers, and dates of stamps.	Value of stamps.	Name and district of manufacturer.

——— ———,

———.

To ——— ———, esq.,
Collector in Charge of Exports.

6. In making the examination here ordered, inspectors will exercise great care not to injure the merchantable value of the articles shipped, and they will see that all packages opened by them are securely re-fastened before the same are laden on board the vessel.

To prevent possible damage in such cases, it is suggested that the closing of the packages for final shipment be delayed until the proper

examination has been made, or that, in fastening the outer cases, screws be used, so that the inspector may readily, and without injury to the packages, have access to the stamped articles. In case screws are used, the refastening should be with nails, or in such other manner as shall prevent the reopening of the packages without apparent injury.

7. He will also conduct the examination of the stamps with the greatest care, and satisfy himself that genuine stamps representing the proper amount of tax are affixed, and that none of the stamps show any indication of having been reused. In case he discovers that the full amount of tax due has not been paid, or has reason to suspect that any of the stamps are counterfeit, or have been reused, or that any of the packages have been refilled, he will seize the merchandise and report the case to the United States district attorney and to the collector in charge of exports.

8. After the examination and destruction of the stamps by the internal-revenue officer, the goods will remain in the custody of the customs officer until they are duly laden on board the exporting vessel. In no case will the officer lose sight of the goods until the lading has been fully completed. It will be the duty of the collector and surveyor of customs to take all necessary precaution to prevent the goods laden on board the vessel from being relanded before the vessel leaves the port.

After having laden the goods on board the vessel, the customs inspector will indorse upon the duplicate entry in his possession the following:

(FORM L.)

Return of lading.

PORT OF ——, ——, 18—.

I hereby certify that, in pursuance of the above order, the following, described merchandise has been duly laden on board the —— for exportation to ——, and that the stamps affixed to such articles were totally destroyed in my presence:

Marks and numbers.	Number of cases.	Kind and specific description of merchandise.

——, *Inspector.*

In shipments of tobacco or snuff the weigher will append his certificate as follows:

I hereby certify that the above described articles have been weighed by me and found to be as follows:

Gross weight.	Tare.	Net weight.
lbs.	lbs.	lbs.

——— ———,
U. S. Weigher

9. In shipments of tobacco, snuff or cigars, the law requires the exporter to execute a bond, with good and sufficient sureties, to be approved by the collector *of internal revenue* of the district from which the goods are shipped, in a penal sum double the amount of the tax for which the claim is made, and conditioned for the production of evidence satisfactory to the Commissioner of Internal Revenue that the merchandise has been landed at some port without the jurisdiction of the United States, or that after shipment the same was lost at sea, and has not been relanded within the limits of the United States. Such bond will be filed with the aforesaid collector of internal revenue, and will be in the following form:

(FORM M.)

Debenture bond under internal-revenue acts.

No. ——.

Know all men by these presents, that we, ——— ———, as principal, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals, at ———, this —— day of ———, 18—.

The condition of this obligation is such that, whereas the aforesaid ——— ——— has filed with the collector of customs at the port of ——— an export entry of certain merchandise upon which internal-revenue taxes have been paid, and a drawback of which is claimed, to wit:

Marks and numbers.	Kind of merchandise.	Number of packages.	Contents of packages.	Value.		Rate of tax.	Denomination and serial numbers of stamps affixed.	Value of stamps affixed.		Name and district of manufacturer.

to be exported from the port of ———, in the ———, whereof ——— ——— is master, to the port of ———, or to some other port without the jurisdiction of the United States:

Now, therefore, if the aforesaid merchandise, or any part thereof, be not relanded at any port or place within the limits of the United States, and if the said obligors, by themselves, or their legal representatives, shall produce to the collector aforesaid, within ——— from the date hereof, evidence satisfactory to the Commissioner of Internal Revenue that the merchandise above described has been landed at some port without the jurisdiction of the United States, or that after shipment the same was lost at sea, and has not been relanded within the limits of the United States, then this obligation shall be void; otherwise to remain in full force and virtue.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Signed, sealed, and delivered in the presence of—

——— ———.
——— ———.

10. The foregoing bond must in all cases be executed by the party or firm filing the export entry, Form I, and when given in the name of a firm, must be executed by all the members of such firm; and such bond if not canceled or extended in the manner hereinafter provided, will be placed in the hands of the United States district attorney for collection at the expiration of thirty days after the same becomes due, if collection by other means is impracticable.

11. The time named in the bond for the production of the landing certificate must not exceed sixty days if the exportation is to the Dominion of Canada, to any of the British North American provinces, or to any of the West India Islands, or to the Gulf, Atlantic, and frontier ports in Mexico, or to Atlantic ports in Central America, and to Atlantic ports north of the equator in South America. If to any place other than those above mentioned, not beyond the Cape of Good Hope, the time must not exceed nine months; and if beyond the Cape of Good Hope, it must not exceed eighteen months. It will be the duty of the collector to take particular care to ascertain the time ordinarily required for exportation to, and return from, any of the places to which exports may be made, fix the time that may be actually required, not exceeding the limits above prescribed, and fill the bond accordingly.

12. Upon the receipt and approval of the bond here prescribed, the collector of internal revenue will transmit the same to the Commissioner of Internal Revenue, first forwarding to the collector of customs a notice in duplicate, specifying in such notice the date of the bond, name of the principal, and the penal sum, and describing the goods; and the collector of customs will, if the facts warrant, issue his certificate in the form following:

Entry No. ——. (FORM N.) Certificate No. ——.

Certificate of exportation under internal-revenue acts.

OFFICE OF COLLECTOR OF CUSTOMS,
Port of ———, ——— —, 18—.

I hereby certify that, on the —— day of ———, 18—, the following-described merchandise was duly laden on board the ———, whereof ——— ——— is master, in

pursuance of order No. ——, heretofore issued from this office, and that said merchandise was duly entered on the outward manifest of said vessel, and that said vessel and cargo were cleared from this port on the —— day of ———, 18—, for the port of ———; and that the stamps affixed to said merchandise were utterly destroyed before clearance:

Marks, brands, and numbers.	Number of cases or packages.	Kind and specific description of merchandise.	Number of pounds.	Number of cigars.

And I do further certify that the proper bill of lading covering above-described merchandise has been filed in this office.

Witness my hand and official seal, this —— day of ———, 18—.

[SEAL.] ——— ———,

Collector of Customs.

To ——— ———, esq.,

Collector in charge of exports and drawbacks.

13. The foregoing certificate will be transmitted to the collector of internal revenue in charge of exports and drawbacks at the port from which the goods are cleared, together with the original entry (Form I) and the duplicate notice of the receipt of the bond (Form M).

The collector in charge of exports will immediately examine the proofs submitted, and, if satisfied that the claim made is a valid one, he will indorse his approval thereon, under seal, and, after recording the claim in his office, he will at once transmit all the papers in the case to the Commissioner of Internal Revenue, together with the returns of inspection (Form K).

14. The evidence will be reviewed by the Commissioner, and if, on examination, he shall find the same satisfactory, he will award the amount due the claimant.

The amount so awarded will be paid by a warrant on the Treasurer of the United States, and a draft therefor, to the order of the party entitled thereto, will be sent to the post office address of said party.

EXPORTATIONS OF MERCHANDISE FROM A PORT OF ENTRY THROUGH ANOTHER PORT.

15. If the exporter desires to export, with benefit of drawback, tobacco, snuff, or cigars, to the Dominion of Canada, or any other foreign country adjacent to the United States, from a port of entry not on the frontier, through a frontier port, he will specify in his entry (Form I) by what conveyance and through what port the merchandise is to be shipped, and in such case no frontier certificate will be required.

16. If, in any instance, the merchandise to be exported to ports in British North America aforesaid is situated in an interior city or town, the

exporter may file his entry at the frontier port through which the merchandise is to pass, or at any convenient port of entry; but the inspection must be duly made at the port where said entry is filed.

17. If, however, an exportation is to be made from a port of entry to any port whatever, through a port not on the frontier, the collector with whom the entry (Form I) is filed will, after the merchandise has been inspected, transmit the *original* of said entry, without delay, to the collector of customs of the port at which the merchandise is to be transshipped.

18. The collector at the port of transshipment will then direct the proper officer to carefully examine the merchandise upon its arrival, and ascertain that the same agrees, in all respects, with the entry, and to superintend the lading of the goods on board the vessel or other conveyance by which the same are to be exported.

19. If the merchandise inspected is found to agree with that specified in the entry, the collector will, after the goods have been duly laden as aforesaid, indorse upon the entry the following:

Certificate of transshipment and exportation.

PORT OF ———, ——— —, 18—.

I hereby certify that the within-described merchandise, entered for internal revenue drawback at the port of ———, by ——— ———, for exportation to ———, by way of ———, was brought into this port by ——— ———, on board the ———, on the —— day of ———, 18—, and that the same has been carefully inspected and found to be without change or diminution; that said merchandise was duly laden on board the ——— for exportation to ———; that said merchandise was duly entered on the outward manifest of said vessel, and (unless a through bill of lading has been filed with the collector from whom the export entry was received) a proper bill of lading has been filed in this office, and said that vessel and cargo were cleared from this port on the —— day of ———, 18—, for the port of ———.

[SEAL.] ——— ———,
Collector of Customs.

To ——— ———, *Collector of Customs,*
Port of ———.

Any deviation from the description given in the entry should be reported by the inspector and noted by the collector in the foregoing certificate.

20. After having made the proper indorsement, the collector will return the entry to the collector at the port from which the merchandise was originally shipped. Whereupon the collector of that port will, if the other papers in the case be satisfactory, issue his certificate (Form N), changed to meet the requirements of the case. Unless a through bill of lading is furnished to the collector last named, a proper bill of lading, covering the articles from the port of transshipment to the port of destination, must be filed with the collector, who will note in his certificate of transshipment and exportation that such proper bill of lading has been filed in his office.

THE EXECUTION OF PAPERS BY AGENTS OR ATTORNEYS.

21. The export entry (Form I) and affidavit prescribed in the foregoing regulations must be executed and dated at the port from which the merchandise described therein is exported.

22. Should the exporter reside in a place other than the one from which said merchandise is exported, the necessary forms, excepting the export bond (Form M) may be executed and signed by an agent, clerk, or attorney, at the port of export, provided they have personal knowledge of the facts mentioned therein, on filing with the collector of customs, and also with the collector in charge of exports and drawbacks at the port of exportation, a satisfactory power of attorney, duly executed by said exporter, authorizing said agent, clerk, or attorney to transact such business in his behalf. When such power of attorney has once been filed, the same will be deemed sufficient to authorize the execution of said forms at any time thereafter until the same shall be revoked, or until said collectors shall have reason to believe that the exporter has ceased to employ said agent, clerk, or attorney in such capacity. Whenever an affidavit shall be made on behalf of an exporter by his duly authorized agent, clerk or attorney, or for any business firm by a partner thereof, the fact of such authority or partnership must be clearly stated therein.

23. No clerk may sign for his employer on the bond (Form M) and no agent or attorney may sign for his principal unless duly authorized to sign such bond by special power of attorney duly acknowledged before an officer authorized to take the acknowledgment of deeds.

PROOF REQUIRED FOR THE DISCHARGE OF EXPORT BONDS.

24. For the discharge of export bonds, the exporter must produce and deliver to the collector of customs with whom the export entry was filed, within the time limited in each bond, a landing certificate, in the following form, together with his statement, under oath, that the articles described in his entry have been truly exported as conditioned in his bond, and have not been relanded within the limits of the United States. Upon the receipt of such proof, the collector will transmit the same to the Commissioner of Internal Revenue, with his recommendation as to the propriety of accepting the same.

Int. Rev. Regulations, Series 7, No. 8—Revised. } (FORM GG.)

Landing certificate.

No. 1.

PORT OF ——, ——, 18—.

I, —— ——, of ——, do hereby declare that the goods or merchandise hereinafter described have been landed at this port between the —— and —— days of

——, from on board the ——, of ——, whereof —— —— is at present master, viz:

Marks, brands, and numbers.	Number and kind of packages and contents.	Cigars and cigarettes.	Tobacco and snuff, number of pounds.			Rate of tax.	Amount of tax.
		Number.	Gross.	Tare.	Net.		

which goods or merchandise, according to the bills of lading for the same, were shipped on board the ——, at the port of ——, in the United States of America, on or about the —— day of ——, 18— and consigned to —— ——, by ——, of —— aforesaid; and I further certify that the weight of the goods as stated above was correctly ascertained by actual weighing after landing.

—— ——,
Consignee of Goods.

Sworn and subscribed at the port of ——, before me, this —— day of ——, ——, 18—.

[SEAL.] —— ——.

Certificate of revenue officer or agent.

No 2.

PORT OF ——, —— —, 18—.

I, —— ——, do hereby certify that the goods or merchandise described in the foregoing declaration, imported into this —— (country or province) from ——, were landed at this port, duly entered at the custom-house at this port on the —— day of ——, 18—, and their weight (or number, as the case may be) ascertained to be ——, and their value to be ——, and that the duties imposed by the laws in force in this —— (country or province) upon said goods have been paid, or secured to be paid, amounting to ——.

In witness whereof, I have hereunto set my hand and seal of office, this —— day of ——, 18—.

[SEAL.] —— ——,
Collector (or Chief Revenue Officer.)

Oath of Master and Mate.

No. 3.

PORT OF ——, —— —, 18—.

We, —— ——, master, and —— ——, mate, of the ——, lately arrived from the port of ——, in the United States of America, do solemnly swear that the goods or merchandise enumerated and described in the foregoing certificate, dated the —— day of ——, 18—, and signed by —— ——, of the city of ——, consignee, were actually delivered at the said port from on board the said vessel within the time specified in the said certificate, and that the weight stated was ascertained by actual weighing at the time of delivery.

—— ——, *Master.*
—— ——, ——.*

* NOTE.—In all cases, the oath of the master, and of the mate, purser, or other discharging officer must be obtained.

In case of failure to execute the foregoing at the port of delivery of the goods, the same may, upon the return of the vessel at the port of shipment, be subscribed to before the collector of the port.

Sworn at the port of ———, before me, this —— day of ———, 18—.

——— ———.

Consul's or Agent's Certificate.

No. 4.

OFFICE OF ———,
Port of ———, ——— —, 18—.

I, ——— ———, consul (or agent) of the United States of America, at the port of ———, do declare that the statements set forth in the foregoing declaration, subscribed by ——— ———, of said port, and dated the —— day of ———, 18—, are, in my opinion, true and correct, and deserving of full faith and credit; and I further certify that the signature thereto is in the handwriting of said ——— ———.

In testimony whereof I have hereunto subscribed my name and affixed the seal of my office, at ———, this —— day of ———, 18—.

[SEAL.] ——— ———, *Consul.*

Verification by American or foreign merchants where there is no consul.

No. 5.

We, ——— ——— and ——— ———, merchants residing at the port of ———, do declare that the statements made in the preceding certificate signed by ——— ——— of said port, on the —— day of ———, 18—, are, in our opinion, correct and true, and worthy of full faith and credit. We also declare that there is no [consul or agent of the United States of America, or American merchants, as the case may require] now residing at this place.

Given under our hands at the ———, aforesaid, this —— day of ———, 18—.

——— ———.

——— ———.

COLLATERAL EVIDENCE.

25. In case of inability to produce the foregoing evidence of landing, application for relief may be made to the Commissioner of Internal Revenue through the collector with whom such evidence is by regulation required to be lodged, supported by such collateral evidence as the exporter may be able to submit.

26. The application, in such cases, must be under oath, and must recite the facts connected with the alleged exportation—setting forth the date of shipment, the kind, quantity, and value of the merchandise shipped, the name of the consignee, and the name of the vessel by and the port to, which the shipment was made, and the date and amount of the bond covering such shipment. The applicant will also state in what particular the regulations of the Department respecting the proofs of landing have not been complied with, and the cause of failure to produce such proofs; that such failure was not occasioned by any lack of diligence on his part or that of his agents, and that he is unable to procure any other or better evidence than that submitted with his application.

27. The evidence submitted in such cases may embrace original bills

of lading and verified original or verified copies of letters from consignees advising the shipper of the arrival or sale of the goods, with such other statements respecting the failure to furnish the prescribed evidence of landing as may be obtained from the consignees or any other person having knowledge thereof.

28. When any letters or other documents submitted are in a foreign language, they must be accompanied by sworn translations, and when the letters fail to sufficiently identify the goods, the original bill or account of sales must be produced.

PROOFS OF LOSS AT SEA.

29. In case of the inability of the exporter to produce the evidence of landing at a foreign port, prescribed in these regulations, in consequence of the loss of the goods, or any portion thereof, at sea, the bond (Form M) may be canceled, upon satisfactory proof being furnished to the Commissioner of Internal Revenue that such goods were actually lost at sea, without fault or neglect of the owner or exporter thereof. Application for relief in such cases must be made in writing, under oath or affirmation, by the claimant to the collector of customs with whom the export entry was filed, setting forth (1) the extent of the loss, (2) the location and manner of shipwreck, or other casualty, and the time of its occurrence, and (3) that the loss occurred without fault or neglect of the owner or exporter thereof. This affidavit must be accompanied (4) by the affidavits of two or more credible and disinterested persons, as to the injury, loss, or destruction aforesaid. Where the goods have been insured, (5) the certificate of the insurance company, or board of underwriters, that the insurance has been paid, and that to the best of their knowledge and belief the goods were actually destroyed, will be required; and, when obtainable, (6) the oath of the master and mate of the vessel, detailing the manner and extent of the loss, and (7) the time and (8) locality of the disaster, will be required.

30. The collector with whom such proofs are filed will forward the same to the Commissioner of Internal Revenue, giving *his* views as to the character of the proof and the validity of the claim, together with any facts relative thereto, not set forth in the accompanying papers, which he may deem useful in determining the propriety of allowing the same.

If the proof of landing or loss at sea submitted is satisfactory to the Commissioner of Internal Revenue, the export bond (Form M) will be canceled, otherwise the bond will be placed in suit.

APPLICATION FOR EXTENSION OF TIME IN WHICH TO PRODUCE EVIDENCE OF LANDING.

31. In case the exporter, from causes beyond his control, is unable to furnish the proper evidence of the landing of the tobacco, snuff, cigars or cigarettes at a foreign port within the time named in the bond, an

extension of time, for a period not exceeding one-half the time named in the bond, may be obtained upon application therefor, provided such application is supported by evidence satisfactorily showing the cause of failure to procure such evidence of landing, and by the written consent of both principal and sureties to the bond to the extension of time asked for. The written consent in such cases must be executed under seal and duly acknowledged, as in case of the execution of a bond. And the application for extension in such cases will be filed with the collector of customs, who will forward the same, with accompanying papers, to the Commissioner of Internal Revenue, with his opinion as to the propriety of granting the same.

32. None of the forms herein prescribed will be furnished by the Commissioner of Internal Revenue, except such as are included in the Catalogue No. 155.

The foregoing regulations shall take effect on this 23d day of January, 1892, and all regulations heretofore prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury which are in conflict with the foregoing regulations are hereby rescinded.

JOHN W. MASON,
Commissioner.

Approved:
O. L. SPAULDING,
Acting Secretary.

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(Series 7, No. 9, Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

OLEOMARGARINE

UNDER

INTERNAL-REVENUE LAWS,

WITH SUPPLEMENT.

MARCH 12, 1891.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1893.

TREASURY DEPARTMENT.
Document No. 1546.

55277

OLEOMARGARINE LAWS.

(24 Stat., 209.)

AN ACT defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of this act the word "butter" shall be understood to mean the food product usually known as butter, and which is made exclusively from milk or cream, or both, with or without common salt, and with or without additional coloring matter.

SEC. 2. That for the purposes of this act certain manufactured substances, certain extracts, and certain mixtures and compounds, including such mixtures and compounds with butter, shall be known and designated as "oleomargarine," namely: All substances heretofore known as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all mixtures and compounds of oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all lard extracts and tallow extracts; and all mixtures and compounds of tallow, beef fat, suet, lard, lard oil, vegetable oil, annotto, and other coloring matter, intestinal fat, and offal fat made in imitation or semblance of butter, or when so made, calculated or intended to be sold as butter or for butter.

SEC. 3. That special taxes are imposed as follows:

Manufacturers of oleomargarine shall pay six hundred dollars. Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine.

Wholesale dealers in oleomargarine shall pay four hundred and eighty dollars. Every person who sells or offers for sale oleomargarine in the original manufacturer's packages shall be deemed a wholesale dealer in oleomargarine. But any manufacturer of oleomargarine who has given the required bond and paid the required special tax, and who sells only oleomargarine of his own production, at the place of manufacture, in the original packages to which the tax-paid stamps are affixed, shall not be required to pay the special tax of a wholesale dealer in oleomargarine on account of such sales.

Retail dealers in oleomargarine shall pay forty-eight dollars. Every person who sells oleomargarine in less quantities than ten pounds at one time shall be regarded as a retail dealer in oleomargarine. And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty seven, thirty-two hundred and thirty-eight, thirty two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Stat-

utes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section, and to the persons upon whom they are imposed: **Provided*, That in case any manufacturer of oleomargarine commences business subsequent to the thirtieth day of June in any year, the special tax shall be reckoned from the first day of July in that year, and shall be five hundred dollars.

SEC. 4. That every person who carries on the business of a manufacturer of oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than one thousand and not more than five thousand dollars; and every person who carries on the business of a wholesale dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than five hundred nor more than two thousand dollars; and every person who carries on the business of a retail dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than fifty nor more than five hundred dollars for each and every offense.

SEC. 5. That every manufacturer of oleomargarine shall file with the collector of internal revenue of the district in which his manufactory is located such notices, inventories, and bonds, shall keep such books and render such returns of material and products, shall put up such signs and affix such number to his factory, and conduct his business under such surveillance of officers and agents as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require. But the bond required of such manufacturer shall be with sureties satisfactory to the collector of internal revenue, and in a penal sum of not less than five thousand dollars; and the sum of said bond may be increased from time to time and additional sureties required at the discretion of the collector or under instructions of the Commissioner of Internal Revenue.

SEC. 6. That all oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden packages not before used for that purpose, each containing not less than ten pounds, and marked, stamped, and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; and all sales made by manufacturers of oleomargarine and wholesale dealers in oleomargarine shall be in original stamped packages. Retail dealers in oleomargarine must sell only from original stamped packages, in quantities not exceeding ten pounds, and shall pack the oleomargarine sold by them in suitable wooden or paper packages which shall be marked and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Every person who knowingly sells or offers for sale, or delivers or offers to deliver, any oleomargarine in any other form than in new wooden or paper packages as above described, or who packs in any package any oleomargarine in any manner contrary to law, or who falsely brands any package or affixes a stamp on any package denoting a less amount of tax than that required by law, shall be fined for each offense not more than one thousand dollars and be imprisoned not more than two years.

SEC. 7. That every manufacturer of oleomargarine shall securely affix, by pasting, on each package containing oleomargarine manufac-

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* Repealed; see section 53, act of October 1, 1890.

tured by him, a label on which shall be printed, besides the number of the manufactory and the district and State in which it is situated, these words: "Notice—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases." Every manufacturer of oleomargarine who neglects to affix such label to any package containing oleomargarine made by him, or sold or offered for sale by or for him, and every person who removes any such label so affixed from any such package, shall be fined fifty dollars for each package in respect to which such offense is committed.

SEC. 8. That upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax of two cents per pound, to be paid by the manufacturer thereof; and any fractional part of a pound in a package shall be taxed as a pound. The tax levied by this section shall be represented by coupon stamps; and the provisions of existing laws governing the engraving, issue, sale, accountability, effacement, and destruction of stamps relating to tobacco and snuff, as far as applicable, are hereby made to apply to stamps provided for by this section.

SEC. 9. That whenever any manufacturer of oleomargarine sells, or removes for sale or consumption, any oleomargarine upon which the tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such sale or removal, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal.

SEC. 10. That all oleomargarine imported from foreign countries shall, in addition to any import duty imposed on the same, pay an internal-revenue tax of fifteen cents per pound, such tax to be represented by coupon stamps as in the case of oleomargarine manufactured in the United States. The stamps shall be affixed and canceled by the owner or importer of the oleomargarine while it is in the custody of the proper custom-house officers; and the oleomargarine shall not pass out of the custody of said officers until the stamps have been so affixed and canceled, but shall be put up in wooden packages, each containing not less than ten pounds, as prescribed in this act for oleomargarine manufactured in the United States, before the stamps are affixed; and the owner or importer of such oleomargarine shall be liable to all the penal provisions of this act prescribed for manufactures of oleomargarine manufactured in the United States. Whenever it is necessary to take any oleomargarine so imported to any place other than the public stores of the United States for the purpose of affixing and canceling such stamps, the collector of customs of the port where such oleomargarine is entered shall designate a bonded warehouse to which it shall be taken, under the control of such customs officer as such collector may direct; and every officer of customs who permits any such oleomargarine to pass out of his custody or control without compliance by the owner or importer thereof with the provisions of this section relating thereto, shall be guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years. Every person who sells or offers for sale any imported oleomargarine, or oleomargarine

purporting or claimed to have been imported, not put up in packages and stamped as provided by this act, shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years.

SEC. 11. That every person who knowingly purchases or receives for sale any oleomargarine which has not been branded or stamped according to law shall be liable to a penalty of fifty dollars for each such offense.

SEC. 12. That every person who knowingly purchases or receives for sale any oleomargarine from any manufacturer who has not paid the special tax shall be liable for each offense to a penalty of one hundred dollars, and to a forfeiture of all articles so purchased or received, or of the full value thereof.

SEC. 13. That whenever any stamped package containing oleomargarine is emptied, it shall be the duty of the person in whose hands the same is to destroy utterly the stamps thereon; and any person who willfully neglects or refuses so to do shall for each such offense be fined not exceeding fifty dollars, and imprisoned not less than ten days nor more than six months. And any person who fraudulently gives away or accepts from another, or who sells, buys, or uses for packing oleomargarine, any such stamped package, shall for each such offense be fined not exceeding one hundred dollars, and be imprisoned not more than one year. Any revenue officer may destroy any emptied oleomargarine package upon which the tax-paid stamp is found.

SEC. 14. That there shall be in the office of the Commissioner of Internal Revenue an analytical chemist and a microscopist, who shall each be appointed by the Secretary of the Treasury, and shall each receive a salary of two thousand five hundred dollars per annum; and the Commissioner of Internal Revenue may, whenever in his judgment the necessities of the service so require, employ chemists and microscopists, to be paid such compensation as he may deem proper, not exceeding in the aggregate any appropriation made for that purpose. And such Commissioner is authorized to decide what substances, extracts, mixtures, or compounds which may be submitted for his inspection in contested cases are to be taxed under this act; and his decision in matters of taxation under this act shall be final. The Commissioner may also decide whether any substance made in imitation or semblance of butter, and intended for human consumption, contains ingredients deleterious to the public health; but in case of doubt or contest his decisions in this class of cases may be appealed from to a board hereby constituted for the purpose, and composed of the Surgeon-General of the Army, the Surgeon-General of the Navy, and the Commissioner* of Agriculture: and the decisions of this board shall be final in the premises.

SEC. 15. That all packages of oleomargarine subject to tax under this act that shall be found without stamps or marks as herein provided, and all oleomargarine intended for human consumption which contains ingredients adjudged, as hereinbefore provided, to be deleterious to the public health, shall be forfeited to the United States. Any person who shall willfully remove or deface the stamps, marks, or brands on package containing oleomargarine taxed as provided herein shall be guilty of a misdemeanor, and shall be punished by a fine of not less than one hundred dollars nor more than two thousand dollars, and by imprisonment for not less than thirty days nor more than six months.

SEC. 16. That oleomargarine may be removed from the place of manu-

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*Now Secretary.

facture for export to a foreign country without payment of tax or affixing stamps thereto, under such regulations and the filing of such bonds and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. Every person who shall export oleomargarine shall brand upon every tub, firkin, or other package containing such article the word "oleomargarine," in plain Roman letters not less than one-half inch square.

SEC. 17. That whenever any person engaged in carrying on the business of manufacturing oleomargarine defrauds, or attempts to defraud, the United States of the tax on the oleomargarine produced by him, or any part thereof, he shall forfeit the factory and manufacturing apparatus used by him, and all oleomargarine and all raw material for the production of oleomargarine found in the factory and on the factory premises, and shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than three years.

SEC. 18. That if any manufacturer of oleomargarine, any dealer therein or any importer or exporter thereof shall knowingly or willfully omit, neglect, or refuse to do, or cause to be done, any of the things required by law in the carrying on or conducting of his business, or shall do anything by this act prohibited, if there be no specific penalty or punishment imposed by any other section of this act for the neglecting, omitting, or refusing to do, or for the doing or causing to be done, the thing required or prohibited, he shall pay a penalty of one thousand dollars; and if the person so offending be the manufacturer of or a wholesale dealer in oleomargarine, all the oleomargarine owned him, or in which he has any interest as owner, shall be forfeited to the United States.

SEC. 19. That all fines, penalties, and forfeitures imposed by this act may be recovered in any court of competent jurisdiction.

SEC. 20. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may make all needful regulations for the carrying into effect of this act.

SEC. 21. That this act shall go into effect on the ninetieth day after its passage; and all wooden packages containing ten or more pounds of oleomargarine found on the premises of any dealer on or after the ninetieth day succeeding the date of the passage of this act shall be deemed to be taxable under section eight of this act, and shall be taxed, and shall have affixed thereto the stamps, marks, and brands required by this act or by regulations made pursuant to this act; and for the purposes of securing the affixing of the stamps, marks, and brands required by this act, the oleomargarine shall be regarded as having been manufactured and sold, or removed from the manufactory for consumption or use, on or after the day this act takes effect; and such stock on hand at the time of the taking effect of this act may be stamped, marked, and branded under special regulations of the Commissioner of Internal Revenue, approved by the Secretary of the Treasury; and the Commissioner of Internal Revenue may authorize the holder of such packages to mark and brand the same and to affix thereto the proper tax-paid stamps.

Approved, August 2, 1886.

AN ACT to reduce the revenue and equalize duties on imports, and for other purposes.

* * * * * * *

SEC. 41. That wholesale dealers in oleomargarine shall keep such books and render such returns in relation thereto as the Commissioner

of internal revenue, with the approval of the Secretary of the Treasury, may, by regulation, require, and such books shall be open at all times to the inspection of any internal-revenue officer or agent.

* * * * * * *

SEC. 53. That all special taxes shall become due on the first day of July, eighteen hundred and ninety-one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately, from the first day of the month in which the liability to a special tax commenced to the first day of July following. Special tax stamps may be issued for the months of May and June, eighteen hundred and ninety (*one*), upon payment of the amount of tax reckoned proportionately under the laws now in force, and such stamss which have been or may be issued for the period ending April thirtieth, eighteen hundred and ninety (*one*), may, upon payment of one-sixth of the amount required to be paid for such stamps for one year, be extended until July first, eighteen hundred and ninety-one, under such regulations as may be prescribed by the Commissioner of Internal Revenue. And it shall be the duty of special tax payers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes.

* * * * * * *

SEC. 55. That all laws and parts of laws inconsistent with this act are hereby repealed: *Provided, however*, That the repeal of existing laws, or modifications thereof, embraced in this act shall not affect any act done or any right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before the said repeal or modifications, but all rights and liabilities under said laws shall continue and may be enforced in the same manner as if said repeal or modification had not been made.

Any offenses committed, and all penalties, or forfeitures, or liabilities incurred under any statute embraced in, or changed, modified, or repealed by this act may be prosecuted and punished, in the same manner and with the same effect as if this act had not been passed. All acts of limitation, whether applicable to civil causes and proceedings or to the prosecution of offenses, or for the recovery of penalties or forfeitures, embraced in, or modified, changed, or repealed by this act, shall not be affected thereby, and all suits, proceedings, or prosecutions, whether civil or criminal, for causes arising or acts done or committed prior to the passage of this act may be commenced and prosecuted within the same time and with the same effect as if this act had not been passed.

Approved October 1st, 1890.

Series 7, No. 9—Revised, March 12, 1891.

REGULATIONS

UNDER

AN ACT ENTITLED "AN ACT DEFINING BUTTER, ALSO IMPOSING A TAX UPON AND REGULATING THE MANUFACTURE, SALE, IMPORTATION AND EXPORTATION OF OLEOMARGARINE," APPROVED AUGUST 2, 1886, AND "AN ACT TO REDUCE THE REVENUE AND EQUALIZE DUTIES ON IMPORTS, AND FOR OTHER PURPOSES," APPROVED OCTOBER 1, 1890.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, March 12, 1891.

Section 20 of the act of August 2, 1886, above referred to, provides—

"That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may make all needful regulations for the carrying into effect of this act."

In pursuance thereof the following regulations have been made by the Commissioner of Internal Revenue with approval of the Secretary of the Treasury, and are hereby promulgated:

OLEOMARGARINE DEFINED.

Butter is defined in section 1 of the act, and oleomargarine, which is the special subject of these regulations, in section 2 thereof, as follows:

"That for the purpose of this act the word 'butter' shall be understood to mean the food product usually known as butter, and which is made exclusively from milk or cream, or both, with or without common salt, and with or without additional coloring matter.

"SEC. 2. That for the purposes of this act certain manufactured substances, certain extracts, and certain mixtures and compounds, including such mixtures and compounds with butter, shall be known and designated as 'oleomargarine,' namely: All substances heretofore known as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all mixtures and compounds of oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all lard extracts and tallow extracts; and all mixtures and compounds of tallow, beef fat, suet, lard, lard oil, vegetable oil, annotto, and other coloring

matter, intestinal fat, and offal fat made in imitation or semblance of butter, or when so made, calculated or intended to be sold as butter or for butter."

The Attorney-General of the United States has rendered an opinion, under date of October 18, 1886, to the effect that the last clause of section 2 of the act of August 2, 1886, should be construed as qualifying all the preceding portion of said section.

He says: "In my opinion, the qualification extends to the whole section, and is an essential element of the statutory definition of oleomargarine."

In deference to the above opinion, said section is construed as though it read as follows:

"That for the purposes of this act certain manufactured substances, certain extracts, and certain mixtures and compounds, including such mixtures and compounds with butter, shall be known and designated as 'oleomargarine' whenever made in imitation or semblance of butter, or, when so made, calculated or intended to be sold as butter or for butter, namely: All substances heretofore known as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all mixtures and compounds of oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all lard extracts and tallow extracts, and all mixtures and compounds of tallow, beef fat, suet, lard, lard oil, vegetable oil, annotto, and other coloring matter, intestinal fat, and offal fat."

The mixture of butter with coloring matter does not, under this law, render it liable to tax as oleomargarine, such mixture being permitted under the definition given in the first section. If, however, the annotto or other coloring matter is mixed with a vegetable oil or an animal fat other than butter fat as a mordant resulting in a compound resembling butter, this compound would be liable to tax as oleomargarine when manufactured and sold or removed.

It has been urged that the quantity so added would be minute, and that a portion at least would also be lost in the buttermilk, etc. A number of samples known to have been colored with a butter color, in which oil was used as a mordant, have been examined in this office without resulting in the discovery of any foreign fat or oil.

Under the circumstances, collectors are advised, before levying the oleomargarine tax upon butter so colored, to submit a sample for the inspection of this office, provided the coloring matter in the suspected butter is the only ground for the belief that it is oleomargarine.

To ascertain what substances were known before the passage of this act as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral, reference may be had to dictionaries and standard works defining and describing these substances. In Webster's dictionary oleomargarine is defined to be artificial butter made from animal fat, with the addition of some milk and other substances; and butterine is therein defined to be a substitute for butter, made from animal fat, called also oleomargarine.

A very full description of the manufacture of oleomargarine from beef-fat is given in "Appleton's Annual Cyclopædia" for 1882.

Descriptions of oleomargarine, oleo, oleomargarine-oil, butterine, and neutral were given to the Committee on Agriculture and Forestry of the United States Senate shortly before the passage of the act. Some of these descriptions are given on pages 11 and 12 of these regulations. Hereafter, from time to time, as occasion may arise in the practical enforcement of the law, collectors will be instructed as to the views of this office in regard to substances taxable as oleomargarine.

It appears from the testimony of Prof. Henry Morton, of the Stevens Institute of Technology, Hoboken, N. J., that all animal fats, including butter, are mainly composed of three kinds of fatty substances, viz: a substance (stearine) which is solid at ordinary temperatures, a substance (palmatin) which has the usual consistency of butter at ordinary temperatures, and a third substance (olein) which is liquid at ordinary temperatures. It also appears that the invention which has rendered the business of manufacturing the oleomargarine of commerce possible is that process by which all the animal fiber and nearly all the excess of stearine is removed from the beef-fat, so that the proportion of stearine, palmatin, and olein is nearly the same as in butter.

It further appears in evidence before the above-named committee that the oleomargarine-oil is principally obtained from the caul fat of beeves very soon after the animals are killed, and that the manufacturing plant needed to produce the article economically would cost not less than $5,000 or $6,000, or with the slaughterhouse attached, not less than $10,000. Establishments of such magnitude are easily discovered and are likely to be found adjoining or near slaughterhouses and in connection with pork-packing establishments. Lard is used to considerable extent, especially in winter. The oleomargarine made from beef-fat being too brittle in winter, owing principally to the excess of stearine not being all removed, lard is added to overcome this defect.

The following definitions of oleo-oil, oleomargarine, butterine, and neutral are from statements made to the Senate Committee on Agriculture and Forestry, June 16, 1886, by a member of a firm most extensively engaged in the manufacture of these substances:

"The method of producing oleo oil is as follows: The selected fat is taken from the cattle in the process of slaughtering, and after thorough washing is placed in a bath of clean cold water and surrounded with ice, where it is allowed to remain until all animal heat has been removed. It is then cut into small pieces by machinery, and melted at an average temperature of 150 degrees until the fat in liquid form has separated from the fibrine or tissue, and then settled until it is perfectly clear. Then it is drawn into graining-vats and allowed to stand

a day, when it is ready for the process. The pressing extracts the stearine, leaving the remaining product, known as oleo-oil. It is this article which, when churned with cream or milk, or both, and with sometimes a small proportion of creamery butter, the whole being properly salted, gives the new food-product oleomargarine. Each animal yields an average of about 40 pounds of oleo-oil.

* * * * * * *

"The difference between oleomargarine and butterine is this: In making butterine we use neutral lard, which is made from selected leaf-lard prepared and rendered in a very similar manner to oleo-oil, excepting that no stearine is extracted. This neutral lard, which is a beautifully white and odorless product, is cured in salt brine for 48 to 70 hours at an ice-water temperature. It is then taken, and with the desired proportions of oleo-oil and the finest creamery butter, is churned with cream and milk, producing an article which, when properly salted and packed, is ready for market. We use the same coloring that is used by all butter-makers and which has already been fully described. The butterine is generally made of two qualities, differing only in the proportions of the ingredients used. In cold weather a little salad-oil, made from selected cotton-seed, is used in both products for the improvement of their texture. We get an average of about eight pounds of raw leaf-lard per hog, which render net about five to six pounds of neutral. This neutral is worth from two to three cents per pound over ordinary steam-rendered lard.

* * * * * * *

"Oleomargarine is mainly made of oleo-oil exclusively, but sometimes 5 per cent of the finest butter is added, which is churned with the cream and milk to improve the flavor.

"Creamery butterine is usually composed of 25 per cent creamery butter, 40 per cent neutral, 20 per cent oleo-oil, and the balance milk, cream, and salt.

"Dairy butterine differs from creamery only in the proportions. It is a cheaper product, and its proportion of butter about 10 per cent, neutral 45 per cent, and oleo-oil 25 per cent, the balance being made up of cream, milk, and salt."

He also testifies as follows as to lard, etc.:

"The fat from the hog is a very small percentage. This leaf-lard is the choicest fat from the hog, and only weighs about eight pounds in the rough. We get about five pounds of neutral from a hog, when we ordinarily get about forty pounds of lard.

* * * * * * *

"We use only the selected parts from each animal, the caul-fat from the steer and the leaf-lard from the hog."

MANUFACTURERS.

SPECIAL TAXES.

Section 3 of the act of August 2, 1886, provides as follows:

"Manufacturers of oleomargarine shall pay six hundred dollars. Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine.

* * * "And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty-seven, thirty-two hundred and thirty-eight, thirty-two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Statutes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section, and to the persons upon whom they are imposed: *Provided*, That in case any manufacturer of oleomargarine commences business subsequent to the thirtieth day of June in any year, the special tax shall be reckoned from the first day of July in that year, and shall be five hundred dollars."

The above proviso was repealed by section 53 of the act of October 1, 1890, which reads as follows:

"SEC. 53. That all special taxes shall become due on the first day of July, eighteen hundred and ninety-one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately, from the first day of the month in which the liability to a special tax commenced to the first day of July following. Special tax stamps may be issued for the months of May and June, eighteen hundred and ninety-one, upon payment of the amount of tax reckoned proportionately under the laws now in force, and such stamps which have been or may be issued for the period ending April thirtieth, eighteen hundred and ninety (*one*), may, upon payment of one-sixth of the amount required to be paid for such stamps for one year, be extended until July first, eighteen hundred and ninety-one, under such regulations as may be prescribed by the Commissioner of Internal Revenue. And it shall be the duty of special taxpayers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes."

Under the provisions of the above section the special tax year commences July 1, 1891. Manufacturers' special tax stamps that expire April 30, 1891, may be extended to July 1, following, upon payment of

$100. *The special tax of manufacturers who commence business in May will be reckoned to July 1, 1891, and will be $100; and the special tax of those who begin business in June of that year will be reckoned for the month of June, and will be $50. The special tax of manufacturers who commence business on the first day of July will be reckoned for one year, and the tax of manufacturers who commence business after the first of July shall be reckoned proportionately from the first day of the month in which the liability to special tax commenced, to the first day of July following.

Section 4 of the act of August 2, 1886, imposes fines upon those who do business rendering them liable to special tax as manufacturers under the law without paying the special tax, as follows:

"That every person who carries on the business of a manufacturer of oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than one thousand and not more than five thousand dollars."

NOTICES, BONDS, INVENTORIES, BOOKS, AND RETURNS, ALSO FACTORY NUMBERS AND SIGNS.

Section 5 provides—

"That every manufacturer of oleomargarine shall file with the collector of internal revenue of the district in which his manufactory is located such notices, inventories, and bonds, shall keep such books and render such returns of material and products, shall put up such signs and affix such number to his factory, and conduct his business under such surveillance of officers and agents as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require. But the bond required of such manufacturer shall be with sureties satisfactory to the collector of internal revenue, and in a penal sum of not less than five thousand dollars; and the sum of said bond may be increased from time to time, and additional sureties required at the discretion of the collector, or under instructions of the Commissioner of Internal Revenue."

Under the above provision of law every manufacturer of oleomargarine will, before commencing business, and on the first day of July of each year before continuing business, file with the collector of the district in which his factory is located a notice on Form 213, and a bond, in an amount to be fixed by the collector, of not less than five thousand dollars, with two or more sureties satisfactory to him, on Form 214; also an inventory on Form 215.

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*It will be observed that these remarks, relative to special taxes for the months of May and June, have reference to the year 1891 only.

The form of notice will be as follows:

FORM 213.

UNITED STATES INTERNAL REVENUE.

Notice by manufacturers of oleomargarine.

[This notice must be given in *duplicate* to the collector of the district by each person or firm before engaging in the business of manufacturing oleomargarine, and on the first day of July thereafter by those continuing in the business.]

———, ——— 18 .

Notice is hereby given that ——— ———, of the ——— of ———, county of ——— and State of ———, intend, under the name or style of ——— ———, to carry on or engage in the business of manufacturer of oleomargarine, on and after the ——— day of ———, 18 , in the building owned by ——— ———, situate No. ——— street, in the ——— of ———, county of ——— and State of ———, and that the following machinery and appliances will be used in the manufacture of oleomargarine:

———————————————————————————————

Total capacity in pounds for producing oleomargarine each day of 24 hours, ——— ———.

(Signed) ——— ———.

To ——— ———,

Collector, ——— *district*, ———.

Received this ——— day of ———, A. D. 18 .

——— ———, *Collector*.

☞ In case of any change in the location, form, capacity, ownership, agency, superintendency, or in the persons interested in the business of such manufactory, notice thereof, in writing, stating the particulars of such change, must be given to the collector of the district within twenty-four hours of such change.

The form of the manufacturer's bond will be substantially as follows:

FORM 214.

UNITED STATES INTERNAL REVENUE.

Oleomargarine manufacturer's bond.

[This bond must be executed by every manufacturer before commencing or continuing business, and should be accompanied by affidavits of sureties on Form 33.]

Know all men by these presents, that we, ——— ———, as principal and ——— ——— and ——— ——— as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars, lawful money of the United States; for the payment of which, well and truly to be made, we, jointly and severally, bind ourselves, our heirs, executors, and administrators by these presents.

Witness our hands and seals at ———, this —— day of ———, eighteen hundred and ninety ——.

The condition of this obligation is such, that whereas the said ——— ——— propose to carry on or engage in the manufacture of oleomargarine at ———, in the county of ———, and State of ———: Now, therefore, if the said ——— ——— shall comply with all the requirements of law and regulations in regard to the manufacture, removal, and sale of oleomargarine, and shall not engage in any attempt, by —sel— or by collusion with others, to defraud the Government of any

tax on —h— manufactures, and shall render truly and correctly all the returns and inventories prescribed to the collector of the district, and shall, in accordance with law, stamp, mark, brand, and affix caution notices to all oleomargarine manufactured by —h— before —he— sell— the same, or any part thereof, and before —he— remove— any part thereof from the place of manufacture for consumption or use, and shall not knowingly sell or expose for sale any oleomargarine not marked, stamped, and branded as required by law, then this obligation is to be void; otherwise to be in full force and virtue.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Sealed and delivered in the presence of—

——— ———.
——— ———.

The form of affidavit of sureties, which should accompany the above bond, is substantially as follows:

FORM 33—REVISED MARCH 30, 1889.

UNITED STATES INTERNAL REVENUE.

[This form of qualification is to be used in connection with the execution of all bonds taken by collectors when they are not personally cognizant of the sufficiency of the sureties, except where another form, or modification of this form is prescribed.]

FORM OF AFFIDAVIT FOR SURETY ON BOND.

State of ———
County of ——— } *ss:*
——— *of* ———

Personally appeared ——— ———, who, being duly sworn, says that he is one of the sureties mentioned in the annexed bond of * ——— ———; that he is by occupation a ———, for ——— months last past doing business at ———, in ———, and residing at ———, in ———; that he is now worth the sum of †——— ——— dollars ($———$\frac{}{100}$), over and above all debts and liabilities which he owes or has incurred, exclusive of property exempt from execution and under the homestead laws of the State; that he owns personal property worth †——— ——— dollars ($———$\frac{}{100}$), consisting of (1) ——— ——— ———, and real estate worth†——— ——— dollars ($———$\frac{}{100}$), described as follows: (2) ——— ——— ———. That the same has the following incumbrances thereon, and none other, to wit: (3) ——— ——— ———; that his title to the same is a fee simple, and that he became possessed of said real property by (4) ——— ——— from ———, on the ——— day of ———, 18 . That he is not responsible to the United States as surety on any other bond except (5) ——— ———.

(Sign) ——— ———.

* State here the name of the principal and the *character* of the bond.

† State the amount in words as well as figures.

(1) Here describe the property by name, so that it can be identified—as "Fifteen shares of the stock of the Fourth National Bank, of New York City."

(2) Here describe the property by giving the number of the lot and square, if in a city, and by metes and bounds, if in the country, that it may be identified.

(3) The character of the incumbrance or incumbrances, if any, should be set forth, and if the real estate is free of incumbrance, that fact should be stated.

(4) Purchase, inheritance, or devise.

(5) Here state what other bonds to the United States deponent has already signed as surety, giving name of principal, date, amount, and character of bond. If none, erase the word "except."

Sworn to and subscribed before me (6) this —— day of ———, A. D. 18—; and I hereby certify that I believe the above-named ——— ——— is the identical person who subscribed the annexed bond as one of the sureties therein.

——— ———.

(6) Where the affidavit is not taken before a collector or deputy collector of internal revenue it must be made before an officer authorized to admister oaths generally. If such officer is not a judge of a United States court, his authority to administer oaths must be certified by the clerk of a court of record having official knowledge of that fact.

NOTE.—In case the bond is forwarded to the Commissioner of Internal Revenue, it should be accompanied by an affidavit of each surety on this form.

Before commencing business, and on the 1st day of July of each year before continuing business, every manufacturer must file with the collector of the district in which his factory is located an inventory on Form 215; and every manufacturer on discontinuing business, and every manufacturer in business June 30, must file with the collector a *closing* inventory. The closing inventory may also be made out on Form 215, which is substantially as follows:

FORM 215.

UNITED STATES INTERNAL REVENUE.

Oleomargarine manufacturer's inventory.

[To be delivered to the collector in duplicate before commencing business and on the 1st day of July of each year before continuing business; also on concluding business and by those in business on the 30th day of June. Actual and not estimated weights must in all cases be given.]

Inventory of the quantity of all materials that enter into the manufacture of oleomargarine, including all materials used in process of manufacture, and all finished products held or owned by ——— ———, of ——— ———, county of ———, State of ———, whose factory is numbered ———, and is located at ——— ———, on the ——— day of ———, 18—.

Description.	Pounds of material.	Manufactured oleomargarine.					Value of unattached stamps on hand.	
		Unstamped.		Stamped.				
		Packages.	Number of pounds	Packages.	Number of pounds	Serial Nos. of packages.		
							Dollars.	*Cents.*

(Signed) ——— ———.

I, ——— ———, do swear that the above is, to the best of my knowledge and belief, a complete and correct account of all the materials that enter into the manufacture of oleomargarine, including all materials in process of manufacture, all finished products, and all other materials held or owned by ——— ———, on the ——— day of ———, 18 , and that I have taken all the means in my power to make this account complete and correct in each and every particular.

(Signed) ——— ———.

Subscribed and sworn before me this —— day of ———, 18 .

——— ———.

I, ——— ———, do swear that I have made personal examination of the stock of ——— ———, and that, to the best of my knowledge and belief, the above is a correct inventory of said stock.

——— ———,
Deputy Collector.

Subscribed and sworn before me this —— day of ———, A. D. 18 .

——— ———,
Collector.

FACTORY NUMBERS AND SIGNS.

Collectors will number each manufactory in their respective districts, the numbers to be consecutive, which numbers shall not thereafter be changed.

Every manufacturer of oleomargarine shall place and keep on the side or end of the building wherein his business is carried on, so that it can be distinctly seen, a sign with letters thereon not less than three inches in length, painted in oil colors or gilded, giving his full name and business and the number of his manufactory.

The number of the factory applies to the building rather than to the manufacturer. In case the manufacturer removes to new premises, a new number should be given to such premises; and in case a new manufacturer commences business on the premises occupied by the old manufacturer, the old factory number will be retained and used by the new manufacturer.

CONDUCTING IN OLEOMARGARINE MANUFACTORIES OF ANOTHER BUSINESS INCOMPATIBLE THEREWITH.

The renovation of rancid butter is forbidden on the premises of any oleomargarine manufactory, as such a business is incompatible with the manufacture, on the same premises, of oleomargarine.

MANUFACTURERS' PACKAGES, AND MARKS, BRANDS, STAMPS, AND LABELS TO BE AFFIXED THERETO.

Sections 6, 7, and 8 of the act provide as follows:

"SEC. 6. That all oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden packages not before used for

that purpose, each containing not less than ten pounds, and marked, stamped, and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; and all sales made by manufacturers of oleomargarine and wholesale dealers in oleomargarine shall be in original stamped packages. Retail dealers in oleomargarine must sell only from original stamped packages, in quantities not exceeding ten pounds, and shall pack the oleomargarine sold by them in suitable wooden or paper packages, which shall be marked and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Every person who knowingly sells or offers for sale, or delivers or offers to deliver, any oleomargarine in any other form than in new wooden or paper packages as above described, or who packs in any package any oleomargarine in any manner contrary to law, or who falsely brands any package or affixes a stamp on any package denoting a less amount of tax than that required by law, shall be fined for each offense not more than one thousand dollars, and be imprisoned not more than two years.

"SEC. 7. That every manufacturer of oleomargarine shall securely affix by pasting, on each package containing oleomargarine manufactured by him, a label on which shall be printed, besides the number of the manufactory and the district and State in which it is situated, these words: 'Notice—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases.' Every manufacturer of oleomargarine who neglects to affix such label to any package containing oleomargarine made by him, or sold or offered for sale by or for him, and every person who removes any such label so affixed from any such package, shall be fined fifty dollars for each package in respect to which such offense is committed.

"SEC. 8. That upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax of two cents per pound, to be paid by the manufacturer thereof; and any fractional part of a pound in a package shall be taxed as a pound. The tax levied by this section shall be represented by coupon stamps; and the provisions of existing laws governing the engraving, issue, sale, accountability, effacement, and destruction of stamps relating to tobacco and snuff, as far as applicable, are hereby made to apply to stamps provided for by this section."

Every package of oleomargarine shall, before removal from the manufactory, be branded or stenciled as follows:

No. [a] ——.

OLEOMARGARINE.

Factory No. [b] ——, [c] —— Dist. [d] ——.

a Here give the serial number of the package.

b Here give the number of the manufactory.

c Here state the number of the district.

d Here give the name of the State.

For example :

No. 139564.

OLEOMARGARINE.

Factory No. 1, First Dist. of Illinois.

The letters and figures in the above brand shall be of the following dimensions : The letters in the word "oleomargarine" shall be not less than three-quarters of an inch in length, and all the other letters and figures not less than one-half an inch in length.

The above brand shall be on the top only of each package.

The gross weight, the tare, and the taxable weight must be branded or stenciled on the top of the package, in figures not less than three-quarters of an inch in length.

All letters and figures affixed shall be legible, and shall be in such proportion and of such color as the collector of internal revenue may designate.

The serial numbers of the packages for each manufactory shall be in regular sequence of the serial number thereof, beginning with number one (No. 1) with the first package removed from the manufactory on or after October 31, 1886, and no two or more packages removed from the same manufactory shall be marked with the same number. When, however, the serial numbers reach 99999, the next higher number may be designated "A 1," and the numbers may be thus continued serially through the use of the letters of the alphabet in regular order. In case the package is removed from the factory for sale, consumption, or use, the proper tax-paid stamp will be affixed and canceled by the manufacturer.

The stamp must be securely affixed by paste and tacks across the side of the package in such a way as to be exposed to public view, and easily read when the package is standing on its bottom. Not less than five tacks shall be driven through each stamp—one at each corner and one in the middle of the stamp.

The stamp having been affixed, it must be immediately canceled. For this purpose the manufacturer will use a stencil-plate of brass or copper, in which will be cut five fine parallel waved lines, long enough to extend beyond each side of the stamp, onto the wood of the package. The imprinting from this plate must be with blacking or other durable coloring material, over and across the stamp, and in such manner as not to deface the reading matter on the stamp—that is, so as not to daub and make it illegible. The stamp having been affixed and canceled, it must immediately be covered with a coating of trans-

parent varnish or other substance. Any transparent varnish or other similar substance may be used for this purpose.

Orders for stamps must be made on collectors on Form 218. (See p. 64.)

Upon every manufacturer's package of oleomargarine the law requires (section 7, act of August 2, 1886) that there shall be printed, or securely affixed by pasting thereon, a label, on which shall be printed the number of the manufactory and the district and State in which it is situated, together with the following notice:

NOTICE.—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases."

The label on which the above notice is to be printed is required to be not less than 4 and not more than 6 inches long, and not less than 2½ inches in width, and to contain, in addition to the caution notice prescribed in said section 7, respectively, the following facts, printed in plain, open, and legible letters, in black ink on white paper, the number of the manufactory, the collection district, and the State. These labels will be in the following form:

FORM 219.

For oleomargarine.

Factory No. ——, ——— District, State of ———.

"NOTICE.—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases."

The label or caution notice required by section 7 of the act will be affixed and varnished in the same manner as the tax-paid stamp, but must not be canceled. Not less than five tacks shall be driven through each label—one at each corner and one in the middle of the label.

In case the package is removed from the factory for export under the provisions of section 16 of the act of August 2, 1886, an export stamp must be affixed and canceled in the same manner as the tax-paid stamp.

The words "For export" will also be stenciled or branded by the manufacturer in letters not less than three-quarters of an inch in length, and of such width as the collector of internal revenue shall approve.

This export brand must be placed on the top and again on the side of the package.

The law requires that all oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden packages not before used for that purpose. The use of tin in the packing and shipping of oleomargarine can not be allowed, except as the inner lining of wooden packages, and such packages must be so combined in construction that when the wood and tin are separated the packages will be so injured in the process as to be practically destroyed.

Collectors will not permit the use of any form of wooden package having a tin lining for packing oleomargarine unless a sample of such package has first been submitted to and approved by the Commissioner of Internal Revenue.

Any oleomargarine found in any tin package from which the outer wooden case has been removed will be deemed to have been packed in a package contrary to law, and any person who sells or offers for sale, or delivers or offers to deliver, such a package, will be liable to the penalty prescribed by section 6 of the act.

The following combined wooden and tin oleomargarine packages have been approved by this office:

Device of Record Manufacturing Company, Conneaut, Ohio, approved October 4, 1886.

Device of Sayre Butter Packing Company, Waverly, N. Y., approved October 26, 1886.

Device of Dally Packing Company, Philadelphia, Pa., approved November 15, 1886.

Device of John S. Toner, Philadelphia, Pa., approved October 28, 1887.

Device of Burger & Lee, New York, N. Y., approved April 7, 1888.

Device of Armour & Co., Chicago, Ill., approved January 9, 1890.

Devices of the Grovedale Creamery Company, Philadelphia, Pa., approved January 27 and 29, 1891, for export purposes only.

In case any oleomargarine shall be returned in the original unbroken packages to the manufacturer thereof, the same may be sold under the original stamp, provided, however, such manufactured articles are not taken out of the original package.

In case any such product is returned to the manufacturer in broken packages, or in case the unbroken packages are not resold in the original unbroken packages, the same shall be charged to the material account.

The law does not fix the maximum size of manufacturers' packages. (See instructions as to stamping packages of extraordinary size in reg-

ulations, Series 7, No. 2, under the title "General instructions concerning stamps.")

The use of devices to preserve the form of prints inside of the manufacturer's packages may be permitted, provided such devices, taken separately, are not safe or suitable for the transportation of oleomargarine, and are not packages within the meaning of section 6, and provided each device is approved by the Commissioner of Internal Revenue. Three of such devices have already been so approved, viz:

H. P. Barber's shipping form, approved January 15, 1889.

Detroit Paper Novelty Company's shipping form, approved February 20, 1889.

H. J. Brine's shipping firm, approved June 6, 1890.

The question having been raised as to whether, in case wooden packages which have contained oleomargarine shall be taken apart and planed off and new packages made of them, the manufacturer of oleomargarine will be permitted to use such packages, it is held that the packages when taken apart cease to be packages within the meaning of the law and become simply material, and that there is no legal objection to the use of such material for the manufacture of other new packages if all the marks, stamps, and brands have first been effectually removed therefrom. (32 Record, p. 405.)

It is clearly the intent of the law relative to oleomargarine that purchasers of that commodity shall be informed, at the time of purchase, of the true nature of the article, by marks, brands, and stamps to be placed thereon; hence manufacturers and dealers are not permitted to send out, or ship, packages of oleomargarine concealed in boxes, barrels, jute bags, burlap, or other article of covering. Packages may be sent out or shipped in crates, or other similar devices, provided they are so packed in such crates or devices that the internal-revenue marks, brands, stamps, etc., are plainly exposed to public view.

Any package of oleomargarine found upon the market so packed as to conceal any of the marks, brands, stamps, etc., from plain view to the public, will be liable to detention or seizure. (37 Record, p. 21.)

SAMPLES OF OLEOMARGARINE FOR EXHIBITION.

Upon application of the manufacturer to the collector to remove free of tax a portion of his product in bulk to a public fair or exposition building for purposes of exhibition within the district in which the factory is located, the collector may, provided that, in his judgment, the United States will suffer no loss by the arrangement, issue to the applicant a permit to remove the product in the presence of a deputy col-

lector, who will ascertain and note the exact number of pounds so removed.

The permit should state for what period the article may remain on exhibition, and should stipulate that it is not to be sold or offered for sale until returned to the factory, the return to be made in the presence of a deputy collector, who will see that the exact quantity is returned. The deputy should take an inventory of the quantity used for exhibition, and then check back on that inventory when the oleomargarine is returned to the factory.

Collectors must not grant manufacturers permission to withdraw specimens, free of tax, for exhibition at a place outside of the district in which the producing factory is located.

ASSESSMENTS.

Section 9 provides as follows:

"That whenever any manufacturer of oleomargarine sells, or removes for sale or consumption, any oleomargarine upon which the tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such sale or removal, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal."

Collectors will report taxes for assessment in accordance with the above-quoted section on Form 23, as heretofore required in case of other stamp taxes when the taxable article is removed without being stamped. (See Regulations, Series 7, No. 1.)

Deputy collectors, in canvassing for objects of taxation under the requirements of section 3172 of the Revised Statutes, will inquire after and concerning all persons in their respective divisions who are liable to pay a special tax, and all persons owning or having the care and management of the articles liable to tax under the act of August 2, 1886, and to make a list of such persons and such articles. Each deputy will also note, over his signature, on the books* of manufacturers, the date of examination and the condition of the accounts at that time, and such other memoranda as will be valuable upon any subsequent examination.

OLEOMARGARINE FOR EXPORT.

Section 16 of the act of August 2, 1886, provides as follows:

"That oleomargarine may be removed from the place of manufacture for export to a foreign country without payment of tax or affixing

*See paragraph 2, page 34.

stamps thereto, under such regulations and the filing of such bonds and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. Every person who shall export oleomargarine shall brand upon every tub, firkin, or other package containing such article the word 'oleomargarine,' in plain Roman letters not less than one-half inch square."

Every person intending to export oleomargarine under the foregoing provision of law will deposit with the collector of the district in which the manufactory is situated a bond, in duplicate, with sureties satisfactory to that officer, and in the following form, one copy of which will be forwarded to the Commissioner of Internal Revenue, with the collector's approval indorsed thereon:

BOND—FORM 220.

For the exportation of oleomargarine, under the act of Congress approved August 2, 1886.

No. ——.

Know all men by these presents, that we ——— ———, as principal ——, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals, at ———, this —— day of ——, 18—.

Whereas the above bounden principal– intend– to engage in the business of exporting from the United States without payment of tax certain oleomargarine, manufactured, or to be hereafter manufactured, by ——— ———, at ———, in the —— collection district of ———: Now, therefore, the condition of this obligation is such that if the entire quantity of oleomargarine at any and all times hereafter so manufactured and removed for export shall be duly consigned to a collector of customs, and shall, immediately upon the receipt thereof by such collector, be entered for export from the United States; and if within ———* days from the date of such removal for exportation the above bounden principal– shall produce to the collector of internal revenue for the —— district of ——— the proofs required by the Regulations of the Treasury Department, showing that the oleomargarine so removed has been duly laden on a foreign-bound vessel or car, and that the said article was entered on the outward manifest or way bill of such vessel or car, and was actually cleared for a foreign port, or in default thereof, satisfactory proof to the said collector of internal revenue and to the Commissioner of Internal Revenue that the article so removed was actually and accidentally destroyed while being transported from the place of manufacture to a port of export, then this obligation to be void; otherwise to remain in full force and virtue.

And the obligors for themselves, their heirs, executors, and administrators, do further covenant and agree with the United States in case

*If the manufactory from which the article is to be removed is located at a port of export, the time to be here inserted must not exceed fifteen days. If, however, the manufactory is in an interior district, a period not exceeding sixty days will be allowed for the presentation of the necessary proof.

the aforesaid proof of exportation or loss is not produced within the time above specified, or in case the said article or any portion thereof is fraudulently brought back or relanded within the jurisdiction of the United States, and contrary to law, well and truly to pay or cause to be paid to the collector of internal revenue aforesaid a sum equal to the tax on said article for which such proof of exportation or loss has not been produced, and five thousand dollars as liquidated damages for each such fraudulent and unlawful relanding.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Signed, sealed, and delivered in the presence of—
——— ———.
——— ———.

The bond here prescribed must be duly acknowledged by the signers thereof before a collector or deputy collector of internal revenue, or some officer authorized to take the acknowledgments of deeds and having a seal, and this form of bond may be used in all cases, whether the manufactory is located at the port of export or in some interior district. In no case should the penalty of the bond be less than *five thousand dollars.*

An account shall be kept, either upon the bond or otherwise, in which account the principal will be charged with the tax on each and every lot removed for exportation in the manner hereinafter provided, and will receive credit for the tax on each lot concerning which the proof of exportation prescribed is received; and collectors will in all such cases see that the penalty of each bond held by them is at least *double* the amount of all outstanding charges on the bond. When necessary a new or additional bond must be given by the exporter.

After the acceptance of the bond by the collector, the principal therein named may make withdrawals from the manufactory for exportation, from time to time, by filing with the collector for each intended withdrawal an application, in duplicate, in the form following:

FORM 220 A.

Application for withdrawal of oleomargarine for exportation.

———, 18—.

To ——— ———, Esq.,
Collector, —— *District of* ——.

SIR: Application is hereby made for permission to withdraw from the manufactory of ——— ———, located at ———, the following-described oleomargarine for exportation to ——— from the port of

———, the transportation and exportation of such article to be made under a bond executed by me on the —— day of ———, 18—:

No. of packages.	Marks and numbers.	Name of article as marked on packages.	No. of pounds.	Rate of tax.	Amount of tax.

——— ———.

Upon the receipt of such application the collector will, if the proposed withdrawal is fully covered by the applicant's bond, indorse upon each copy thereof the following order and permit, and will issue, and inclose with one copy thereof, the necessary export stamps for the packages therein described:

FORM 220 B.

—— DISTRICT OF ——,
———, 18—.

SIR: You are hereby directed to proceed to the manufactory of——— ———, and there inspect and weigh the articles described in the annexed application, and, if found to agree therewith, you will mark and brand on each package, and under the word "*oleomargarine*," in letters and figures not less than three-fourths of an inch in length, the following:

[Insert appropriate dates, etc.]

Inspected for export.

——— ———, 18—.
——— ———, D. C.,
—— District of ———.

You will also securely affix to such packages the export stamps herewith furnished, and deliver such packages to the within-named applicant for exportation. If any discrepancy is found, either in the weight or description of the articles as specified in the annexed application, instead of refusing to allow the discrepant package to go forward, you will mark it and brand it in accordance with your findings, if so requested by the exporter, in writing, and report the actual facts as found by you to me.

——— ———,
Collector.

To ——— ———,
Deputy Collector.

In branding their packages, manufacturers will in every instance place the brand on the top and side of the packages, as required on page 21 of these regulations, and in such a way as to leave sufficient space for the inspection marks here required.

After the inspection for export has been completed, the deputy will append to each copy of the application, and under the order for inspection, a report in the following form:

FORM 220 C.

I hereby certify that I have this day inspected the within-named oleomargarine, and find the same to be in all particulars as described, except as to the following [here state exceptions, if any*], and that I have carefully branded and stamped each package containing the article and delivered the same to ——— ——— for exportation as above directed.

———— ————,
Deputy Collector.

Upon the return of the application by the deputy, the collector will forward the duplicate thereof, with the discrepancies, if any, noted thereon, to the collector of customs of the port from which the exportation is to be made.

When the withdrawal is made from a manufactory situated at a place other than the port from which the article is to be exported, the exporter or party making the withdrawal will file with the collector of internal revenue duplicate bills of lading covering each shipment, one copy of which is to be retained by that collector and one copy to be attached by him to the duplicate application (Form 220 A), to be forwarded to the collector of customs, and at a time which will insure its receipt by that officer, in advance of the arrival of the goods.

The bills of lading must clearly state the name and address of the collector of customs to whom the goods are to be delivered, and must not contain any condition or agreement which will impair the obligation of the exporter and transportation company to forward and deliver such goods to the designated collector.

Immediately on the arrival of the merchandise at the port, the principal to the bond will himself, or through his consignee or duly authorized agent, give notice thereof to the collector of customs, and if, on arrival of the article at the port of entry, the vessel from any cause be not prepared to receive the same, the article shall be delivered by the transportation company, under the direction and supervision of the collector of customs, into bonded warehouses or stores provided for the reception of such goods, to be kept in the same manner as provided by law for that class of merchandise, at the risk and expense of the owner,

* In case discrepancies are found to exist, the deputy will, instead of refusing to allow the discrepant package to go forward, mark it and brand it in accordance with his findings, if so requested by the exporter, in writing, and report the actual facts as found by him to the collector, who will make his charge against the bond, not in accordance with the exporter's application, but with the deputy's report.

which expense shall be a charge on the goods. In case, however, the article is allowed to remain in such warehouse for a period of fifteen days, the collector of customs will report the fact to the Commissioner of Internal Revenue.

As it is presumed that the full quantity consigned to the collector of customs under one bond will be exported in one lot, no division of a consignment at the port of export will be allowed, except in extraordinary cases, where a strict enforcement of the regulations on this point would, in the opinion of the collector of customs, occasion loss or great hardship to the exporter. But in such cases the collector will not, under any circumstances, allow a consignment to be divided into more than two lots.

Upon receipt of the article by the proper customs officer, and at least six hours previous to the shipment thereof, the exporter will file with the collector of customs an export entry in the following form, together with a bill of lading* covering the article from the port of export to a foreign port, if such bill of lading has not been previously furnished that officer:

FORM 220 D.

Entry of oleomargarine for exportation.

Entry of merchandise withdrawn on the —— day of ———, 18—, from the manufactory of ——— ———, situated at ——, in the ——— collection district of ———, and intended for exportation to ———, on board the ———, whereof ——— is master, viz:

No. of packages.	Marks and numbers.	Name of article as marked on packages.	No. of pounds.	Rate of tax.	Amount of tax.

And I do solemnly, sincerely, and truly swear that the article described in the foregoing entry is truly intended to be exported as therein stated, and not to be brought back or relanded within the limits of the United States. And I do further swear that the kind and quantity of said merchandise as stated in said entry are true and correct.

———, *Exporter.*†

*Where the required bill of lading can not be furnished by the exporter at the time of filing his export entry, the same may be subsequently furnished, not later, however, than five days after the clearance of the exporting vessel.

† In case the exporter is a firm, the entry will be signed by a member of the firm cognizant of the facts, and the words "member of firm of ——— ———" [here insert name of firm] will immediately precede the word "exporter."

Subscribed and sworn to before me, this ——— day of ———, 18—.
[SEAL.] ——— ———, *Collector.*

Upon the filing of such entry the collector will compare the same with the application (Form 220 A) previously furnished him, and, if found to agree therewith, he will issue the following order for the inspection, weighing, and lading of the article for exportation:

Order for examination and shipment.

No. ——. PORT OF ———, ———, 18—.

TO THE SURVEYOR: You will direct the proper officers to examine and ascertain the quantity, marks, and proper description of the merchandise described in the annexed entry, to destroy all export stamps found thereon, and to superintend the lading of such merchandise on board the within-named vessel, and make due return to this office.

——— ———,
Collector.

To this order the surveyor will append his order, as follows:

Inspector ——— and weigher ——— will execute the foregoing order.

——— ———,
Surveyor.

After the inspection of the article has been completed, the inspector will append to the entry his report in the following form, to be attested by the weigher and delivered to the collector:

PORT OF ———, ———, 18—.

I hereby certify that the oleomargarine described in the within entry has been duly inspected and weighed and found to agree with the article as described in said entry; that there was branded on each package the word "*oleomargarine*" in plain Roman letters of not less than one-half inch square, as required by law; that there were also affixed to said packages the following export stamps, which have been totally destroyed by me, viz: [here state serial No. of each stamp;] and that the said merchandise was in my presence laden on board the ——— for exportation to ———.

——— ———.
Inspector.

Attest:

——— ———,
Weigher.

If there is any deficiency in the quantity or any discrepancy between the article inspected and the article as described in the entry, the inspector of customs will note the fact in his report; and if he has any evidence of fraud, he will at once inform the collector of customs, who will seize the goods and report the case to the United States district attorney.

After the inspection and clearance of the article, the collector of customs will issue, in *duplicate*, his certificate of exportation in the follow-

ing form, one copy of which will be forwarded to the Commissioner of Internal Revenue, and one copy to the collector of internal revenue from whom the application (Form 220 A) was received.

FORM 220 E.

Certificate of exportation of oleomargarine.

Entry No. ——. Certificate No. ———.

OFFICE OF COLLECTOR OF CUSTOMS,
Port of ———, ———, *18—*.

I hereby certify that the following-described oleomargarine, withdrawn from the manufactory of ——— ———, in the —— collection district of ———, under a bond executed by ——— ——— on the —— day of ———, 18—, was received at this port, and was on the —— day of ———, 18—, entered for export by ——— ———, and that, pursuant to an order issued from this office, the said merchandise was duly inspected and weighed and found to agree with said entry; that the said merchandise was duly laden on board the ———, and entered on the outward manifest of said vessel, and that said vessel and cargo were cleared from this port on the —— day of ———, 18—, for the port of ———; and that the export stamps affixed to said merchandise were utterly destroyed before clearance:

No. of packages.	Marks and numbers.	Name of article as marked on packages.	No. of lbs.	Rate of tax.	Amount of tax.

And I do further certify that the proper bill of lading covering the above-described merchandise has been filed in this office.

Witness my hand and official seal, this —— day of ———, 18—.

[SEAL.]

———— ————,
Collector of Customs.

To ——— ———.

Upon receipt of the foregoing certificate, the collector of internal revenue will credit the bond held by him with the article cleared for export as shown by said certificate; *but in no case should the bond be canceled or delivered up to the signers.*

If in any case circumstances beyond the control of the exporter or his agent should render necessary a longer time than that fixed in the bond for the production of the requisite evidence of exportation, an extension may be obtained by presentation of the facts, through the collector of internal revenue to the Commissioner of Internal Revenue.

The exporter, however, will, in all other respects, be held to a strict compliance with all the requirements of the customs laws and these regulations on the subject of exportation.

EXPORTATIONS OF OLEOMARGARINE FROM A PORT OF ENTRY THROUGH ANOTHER PORT.

If the exporter desires to export the article named to the Dominion of Canada or any other of the British North American provinces from a port of entry not on the frontier through a frontier port, he will specify in his application (Form 220 A) and entry (Form 220 D) by what conveyance and through what port the merchandise is to be shipped, and in case of shipment *by bonded car* no frontier certificate will be required.

If in any instance the merchandise to be exported to ports in British North America aforesaid is situated in an interior city or town, the exporter may file his entry (Form 220 D) at the frontier port through which the merchandise is to pass, or at any convenient port of entry; but the inspection must be duly made at the port where said entry is filed.

If, however, an exportation is to be made from a port of entry to any port whatever, through a port not on the frontier, or through a frontier port *where the article is not shipped in a bonded car*, the collector with whom the entry (Form 220 D) is filed will, after the merchandise has been inspected, transmit a copy of said entry, without delay, to the collector of customs of the port at which the merchandise is to be transshipped, together with a bill of lading to be provided by the exporter for that purpose, unless a through bill of lading has been filed—*i. e.*, for the delivery of the article at a foreign port—in which case the collector will note the fact on the exporter's entry.

Upon the arrival of the oleomargarine, the collector at the port of transshipment will then direct the proper officer to carefully examine the same and ascertain whether the same agrees in all respects with the entry, and superintend the lading thereof on board the vessel or other conveyance by which the same is to be exported.

If the merchandise inspected is found to agree with that specified in the entry, the collector will, after the same has been duly laden as aforesaid, indorse upon the entry the following:

Certificate of transshipment and exportation.

PORT OF ———, ———, 18—.

I hereby certify that the within-described merchandise was brought into this port by ——— ———, on board the ———, on the —— day

of ———, 18—, and that the same has been carefully inspected and found to be without change or diminution; that said merchandise was duly laden on board the ——— for exportation to ———; that said merchandise was duly entered on the outward manifest of said vessel and [unless a through bill of lading has been filed with the collector from whom the export entry was received] a proper bill of lading has been filed in this office; and that said vessel and cargo were cleared from this port on the —— day of ———, 18—, for the port of ———.

[SEAL.]

——— ———,
Collector of Customs.

To ——— ———,
Collector of Customs, Port of ———.

Any deviation from the description given in the entry should be reported by the inspector and noted by the collector in the foregoing certificate.

After having made the proper indorsement, the collector will return the entry to the collector at the port from which the merchandise was originally shipped; whereupon the collector of the port will, if the other papers in the case be satisfactory, issue his certificate (Form 220 E), changed to meet the requirements of the case. Unless a through bill of lading is furnished to the collector last named, a proper bill of lading, covering the articles from the port of transshipment to the port of destination, must be filed with the collector, who will note in his certificate of transshipment and exportation that such proper bill of lading has been filed in his office.

THE EXECUTION OF PAPERS BY AGENTS OR ATTORNEYS.

The export entry (Form 220 D) prescribed in the foregoing regulations must be executed and dated at the port from which the merchandise described therein is exported.

Should the exporter reside in a place other than the one from which said merchandise is exported, the necessary entry may be executed and signed by an agent, clerk, or attorney at the port of export, provided they have personal knowledge of the facts mentioned therein, on filing with the collector of customs a satisfactory power of attorney, duly executed by said exporter, authorizing said agent, clerk, or attorney to transact such business in his behalf. When such power of attorney has once been filed, the same will be deemed sufficient to authorize the execution of said entry at any time thereafter until the same shall be revoked, or until said collectors shall have reason to believe that the exporter has ceased to employ said agent, clerk, or attorney in such capacity. Whenever an entry shall be made on behalf of an exporter by his duly authorized agent, clerk, or attorney, or for any business

firm by a partner thereof, the fact of such authority or partnership must be clearly stated therein.

No clerk may sign for his employer on the bond (Form 220), and no agent or attorney may sign for his principal *unless duly authorized to sign such bond by special power of attorney.*

IN REFERENCE TO THE PRESENTATION OF PROOFS OF LOSS DURING TRANSPORTATION FOR EXPORT.

Where the exporter is unable to furnish the required proofs of exportation to a foreign port, in consequence of the loss of the article by fire or other casualty, he may, in lieu of the certificate of exportation, file with the collector a sworn statement setting forth the extent of the loss, the location, manner, and time of its occurrence.

This statement must be accompanied by the affidavits of two or more credible and disinterested persons as to the loss or destruction aforesaid. When the goods have been insured, the certificate of the insurance agent that the insurance has been paid, and that to the best of his knowledge and belief the goods were actually destroyed, will be required; and, when obtainable, the affidavit of the officers or agent of the transportation company, detailing the manner and extent of the loss, and the time and locality of the disaster, will be required.

The collector will, in forwarding the papers in the case to the Commissioner of Internal Revenue, give his views as to the character of the proofs and validity of the claim made, together with any fact relative thereto not set forth in the accompanying papers which he may deem useful in determining the propriety of allowing the claim. If the proof of loss is satisfactory the Commissioner will authorize the collector to enter credit for such loss on the applicant's bond.

BOOK TO BE KEPT BY MANUFACTURERS OF OLEOMARGARINE.

1. Every manufacturer of oleomargarine is required to enter daily in a book, Form 60, the quantity of materials used for the production of oleomargarine, the quantity of materials otherwise used, the number of packages and pounds of oleomargarine produced, the number of packages and pounds, also the serial number of packages, sold or removed, and the name and the place of business or residence of each person to whom sold or consigned.

2. This book must always be kept at the manufactory, and be always open to the inspection of any internal-revenue officer or agent.

3. For any false entry made in this book, or the omission of any entry required to be made therein with fraudulent intent, the manufacturer is liable to penalties imposed by section 18 of the act of August 2, 1886.

4. There are twenty-two numbered columns on each page of this book, numbered from 1 to 22, consecutively, from left to right.

The first is a column for dates; the next eleven relate to materials used; the next two to oleomargarine produced, and the rest relate to oleomargarine sold or removed. (See model blank form furnished by the Commissioner of Internal Revenue.)

5. Enter in column 1 the dates when materials are used and when oleomargarine is produced ready for the market.

6. Write headings to as many of columns 2, 3, 4, 5, 6, 7, 8, and 9 as are necessary to state each kind of material actually used, as beef fat, lard, cotton-seed oil, butter, cream, etc., stating under its proper heading the quantity in pounds of each solid and each liquid used in the manufacture and constituting a part of the product when finished.

7. State in column 10 the quantity of each kind of material disposed of otherwise than in the manufacture of oleomargarine.

The figures 2, 3, 4, 5, 6, 7, 8, and 9, in column 11, correspond with the numbers at the head of columns showing materials used in producing oleomargarine.

For example: If beef fat becomes spoiled, and is sold to the soap-maker, the quantity so disposed of should be entered in column 10 opposite figure 2 in column 11 if the manufacturer decides to use column 2 for reporting beef fat used in manufacturing oleomargarine.

8. Enter in column 12 how the materials reported in column 10 are used.

9. Report the packages and pounds of the finished product in columns 13 and 14, respectively.

10. State in column 15 the date of each withdrawal, tax paid, and of each withdrawal for export, giving in column 16 the number of packages, in column 17 the serial number of packages, in column 18 the number of pounds, in column 19 the letters "T. P." when the withdrawal is upon payment of tax, and "E." or "Ex." when for export free of tax; also in columns 20, 21, and 22, respectively, the name, place of business, or, in case the delivery is for consumption at the consignee's residence, the place of residence of the person to whom each lot is sold or consigned.

11. In giving the address of parties to whom goods are sent, specify the county and State in addition to the city or town, and also state the street and number in cases of shipment to cities or towns wherein the streets are named or numbered and the houses are numbered.

12. In case of exportation, the name of the foreign country in which the consignee's business house is located will be stated in column 22.

13. If the manufacturer is also a retail dealer, he will enter here all sales as a manufacturer to himself as a retail dealer, giving all details, including the serial number of packages.

14. The number of pounds to be entered in this book should be the number of *taxable* pounds. For instance, a package containing 10½ pounds actual weight should be entered as containing 11 pounds, because under the law imposing the tax the half pound is regarded as a whole pound.

15. If, however, the invoice as to goods consigned to a wholesale dealer should state the actual number of pounds, a memorandum of the quantity covered by the invoice should also be made in the book, to be copied on the Form 216, as hereinafter required in instructions relative to that form.

16. The serial number of packages on hand at the end of each month should be stated in a footnote.

MANUFACTURER'S RETURNS ON FORM 216, TO BE RENDERED TO THE COLLECTOR IN DUPLICATE ON THE FIRST DAY OF EACH MONTH, OR WITHIN FIVE DAYS THEREAFTER, COVERING THE TRANSACTIONS OF THE PRECEDING MONTH.

1. Every manufacturer of oleomargarine is required to make monthly a report, in duplicate, on Form 216 (with inside sheets when needed to complete the detailed statements), stating the quantity of materials used for the production of oleomargarine, the quantity of materials otherwise used, the number of packages and pounds of oleomargarine produced, the number of packages and pounds, also the serial number of packages, sold or removed, and the name and the place of business or residence of each person to whom sold or consigned.

2. If manufacturers prefer to furnish their own forms the blanks so provided must be identical in form and character with those supplied by collectors, and the paper must be of quality to endure much handling. Reports prepared on tissue paper will not be accepted.

3. Illegible or carelessly prepared reports will not be accepted.

4. In giving the address of parties to whom goods are sent, specify the county and State in addition to the city or town, and also state the street and number in cases of shipment to cities or towns wherein the streets are named or numbered and the houses are numbered.

5. If the manufacturer does not know the name of the street, or the street number of the place of business of any customer reported on the form, and he can not, by the exercise of ordinary diligence, obtain such information, he will enter in part of the space provided for the

address or residence the words "can not learn street and number," or if there is not room in such space, after entering the name of the town, city, etc., he may enter the words on the margin of the report, and refer to them by a (*) or a letter of the alphabet.

6. There are fourteen columns on page 1 of this report, numbered from 1 to 14, consecutively, from left to right.

7. The first is a column for dates, the next eleven columns relate to materials used, the next two to oleomargarine produced. Each of these columns should be *added*, and the total entered at the foot thereof opposite the word "total" at the foot of column 1.

8. The total quantity of materials used is obtained by adding together the totals of columns 2, 3, 4, 5, 6, 7, 8, 9, and 10, or of such of them as are used.

9. Total of columns 13 and 14 should be carried to line 2 in the Recapitulation on last page.

10. In case any oleomargarine shall be returned to the manufacturer, and is worked over, it should be taken up in the material account; if, however, it is to be sold again intact, it should be entered on line 2 of the special account at the foot of first page of the report. When it is again sold, it should be entered in red ink on the last inside page of the report, below the total of the regular withdrawals, under a special heading, namely, "*Withdrawals of Returned Oleomargarine.*" The date of the second withdrawal and all other particulars, as in case of an original withdrawal, including name and address of the purchaser, should all be entered *in red ink*. The aggregate sold will be entered on line 3 and the balance remaining on line 4 of the special account. The serial numbers of packages returned, and the day when returned, will be entered in the right-hand portion of the account, and the serial numbers remaining at the close of the month in the lower left-hand corner.

11. There are seven columns on page 2 of this report, numbered from 15 to 22, consecutively, from left to right. Column 15 is for dates, column 16 for number of packages removed, column 17 serial numbers of packages, column 18 number of pounds of oleomargarine withdrawn, column 19 kind of stamp (either tax-paid or export), columns 20, 21, and 22, respectively, name, place of business, or, in case the delivery is for consumption at the consignee's residence, the place of residence of the person to whom each lot is sold or consigned.

12. In case of exportation, the name of the foreign country in which the consignee's business house is located will be stated in column 22.

13. The inside pages, commencing with page 2, of the report are given entirely to *withdrawals*, and care should be taken before com-

mencing the preparation of the report to insert all the inside pages likely to be needed.

14. *Withdrawals tax-paid* will be first entered in regular chronological order, the totals of columns 16 and 18 being carried forward to the next page, and the total of all tax-paid withdrawals finally stated at the close of this part of the report. If there are any exportations, these should next be reported, and total stated.

15. If any oleomargarine has been destroyed in the manufactory, and allowed by the Commissioner of Internal Revenue, the details of such destruction will be reported in *red ink* with the same care used in reporting tax-paid withdrawals, the statement to show the date and the nature of the destruction, also the number of packages, the serial numbers of packages, and the number of pounds destroyed. The total of the detailed statement will be entered in the Recapitulation.

16. Great care should be taken to enter the correct *balance* on line 1 of the Recapitulation, both as to packages and as to pounds; to enter correctly totals of columns 13 and 14 on line 2, and the totals of lines 1 and 2 on line 3.

17. On the credit side of the Recapitulation will be entered the totals of the detailed statements on the inside pages, the quantities on line 4 being totals removed tax-paid, on line 5 totals removed for export, and on line 6 (if any) destroyed in the manufactory and allowed. The quantity on hand at the close of the month should be entered on line 7, and the totals of quantities entered on lines 4, 5, 6, and 7, entered on line 8. If the account is correctly made up, the totals on line 8 will be the same as those on line 3.

18. The number of pounds to be entered should be the number of *taxable* pounds. For instance: A package containing 10½ pounds actual weight should be entered as containing 11 pounds, because under the law imposing the tax the half pound is regarded as a whole pound. If, however, the invoice as to goods consigned to a wholesale dealer should state the actual number of pounds, a memorandum of the quantity covered by the invoice should be made at the foot of the page.

19. In shipping oleomargarine upon the order of a wholesale dealer to a third party, the manufacturer will enter the name of the party to whom it is sent, and also a memorandum to the effect that it is sent upon the order of a wholesale dealer, naming the dealer.

20. State serial numbers in as regular and in as simple a way as possible. If three or more packages in a given lot are numbered in regular order, state only the lowest and highest number of the group, with the word "to" between.

21. Too much care can not be exercised in stating the address of parties to whom sales are made, nor is it possible to write the figures showing serial numbers too plainly.

22. The serial numbers of packages on hand at the end of each month should be stated.

23. The recapitulation should be *signed by the firm name* immediately under totals on line 8, and the *person swearing* to the return should *sign* on the dotted lines below the right hand of the printed affidavit. (See instructions as to keeping book, Form 60, commencing on page 34.)

24. Reports sworn to before persons other than internal-revenue officers must have the seal of the attesting officer, as well as his signature, properly affixed thereto. If he have no seal, his official character must be authenticated under the seal of some officer empowered to so certify (such as the clerk of the court where his commission is recorded), and such authentication must be attached to the return. When the authentication has been once filed it will not be again required during the lifetime of the commission to which it relates, *provided* it specifies the date of expiration of the commission.

25. When a person swearing to and signing a return is not the manufacturer himself, or a member of the manufacturing firm, difficulty is sometimes experienced by internal-revenue officers in deciding whether the person swearing and signing has authority to do so. Collectors may therefore exact from persons signing for principals residing in a district other than that in which the business is transacted powers of attorney, or other paper writings conferring upon such persons the necessary authority to make and sign the returns. In all such cases the collector will furnish the Commissioner of Internal Revenue with a copy of the authority.

WHOLESALE DEALERS.

SPECIAL TAXES.

Section 3 of the act of August 2, 1886, provides as follows:

"Wholesale dealers in oleomargarine shall pay four hundred and eighty dollars. Every person who sells or offers for sale oleomargarine in the original manufacturer's packages shall be deemed a wholesale dealer in oleomargarine. But any manufacturer of oleomargarine who has given the required bond and paid the required special tax, and who sells only oleomargarine of his own production at the place of manufacture, in the original packages to which the tax-paid stamps are affixed, shall not be required to pay the special tax of a wholesale dealer in oleomargarine on account of such sales. * * * * * * * And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty-seven, thirty-two hundred and thirty-eight, thirty-two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Statutes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section, and to the persons upon whom they are imposed."

* * * * * * *

Section 53 of the act of October 1, 1890, provides as follows:

"That all special taxes shall become due on the first day of July, eighteen hundred and ninety-one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately from the first day of the month in which the liability to a special tax commenced to the first day of July following. Special tax stamps may be issued for the months of May and June, eighteen hundred and ninety-one, upon payment of the amount of tax reckoned proportionately under the laws now in force, and such stamps which have been or may be issued for the period ending April thirtieth, eighteen hundred and ninety (*one*), may, upon payment of one-sixth of the amount required to be paid for such stamps for one year, be extended until July first, eighteen hundred and ninety-one, under such regulations as may be prescribed by the Commissioner of Internal Revenue. And it shall be the duty of special tax payers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes."

Section 4 of the act of August 2, 1886, imposes fines upon those who do business rendering them liable to special tax as wholesale dealers in oleomargarine under the law without paying the special tax, as follows:

* * * "And every person who carries on the business of a wholesale dealer in oleomargarine without having paid the special tax there-

for, as required by law, shall, besides being liable to the payment of the tax, be fined not less than five hundred nor more than two thousand dollars."

Under the above provisions of law every person intending to engage in the business of wholesale dealing in oleomargarine must register with the collector of internal revenue for the district in which the business is to be carried on his name or style, place of residence, and the place where the business is to be carried on, and purchase his special-tax stamp.

In case of a firm or company, the names of the several persons constituting the same, and their places of residence, must be so registered. All persons who are in the business June 30 must take similar action before continuing business from July 1.

A person, even if he is a retail dealer in oleomargarine, may solicit orders for oleomargarine in wholesale quantities, and send these orders to the wholesale dealer or to the manufacturer, and receive therefor an allowance as brokerage, without subjecting himself to a special tax as a wholesale dealer, provided the wholesale dealers (or the manufacturers, if the orders are sent to them) ship the original stamped packages to the persons ordering direct and unconditionally, without any intervention on the part of the broker in the delivery. The receipt of commission or brokerage, under these circumstances, for the orders obtained is immaterial so far as the special-tax question is concerned. (32 Record, p. 373.)

A manufacturer of oleomargarine, after having discontinued business, directed one wholesale dealer in oleomargarine who held some of his goods to consign the same to another wholesale dealer in oleomargarine, who sold the same on the late manufacturer's account on commission.

It is held that these transactions do not make the late manufacturer a wholesale dealer, as the special-tax stamp of the wholesale dealer who sold the goods covered the sale at his place of business of the packages belonging to the late manufacturer, which the dealer received as such manufacturer's property, and sold on commission for him and on his account as his agent.

WHOLESALE DEALER'S PACKAGES.

Under the provisions of section 3, above quoted, and of the following clause in section 6 of the same act, "all sales made by manufacturers of oleomargarine and wholesale dealers in oleomargarine shall be in original stamped packages," wholesale dealers can not sell or offer for sale oleomargarine in any form but the manufacturer's original unbroken package.

A wholesale dealer should assure himself that every package which he purchases or receives for sale bears the proper internal-revenue brands and stamps in view of the provisions of section 11 of the act of August 2, 1886, which reads as follows:

"That every person who knowingly purchases or receives for sale any oleomargarine which has not been branded or stamped according to law shall be liable to a penalty of fifty dollars for each such offense."

A wholesale dealer is required to account for each package of oleomargarine, by the serial number thereon, received into his establishment, as hereinafter prescribed.

It is clearly the intent of the law relative to oleomargarine that purchasers of that commodity shall be informed, at the time of purchase, of the true nature of the article, by marks, brands, and stamps to be placed thereon; hence manufacturers and dealers are not permitted to send out or ship packages of oleomargarine concealed in boxes, barrels, jute bags, burlap, or other article of covering. Packages may be sent out or shipped in crates or other similar devices, provided they are so packed in such crates or devices that the internal-revenue marks, brands, stamps, etc., are plainly exposed to public view.

Any package of oleomargarine found upon the market so packed as to conceal any of the marks, brands, stamps, etc., from plain view to the public, will be liable to detention or seizure. (37 Record, p. 21.)

BOOKS AND RETURNS OF WHOLESALE DEALERS IN OLEOMARGARINE.

Section 41 of the act of October 1, 1890, provides—

"That wholesale dealers in oleomargarine shall keep such books and render such returns in relation thereto as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require, and such books shall be open at all times to the inspection of any internal revenue officer or agent."

Under the above provision of law wholesale dealers will be required to keep books and render returns as follows:

BOOK TO BE KEPT BY WHOLESALE DEALERS.

1. Every wholesale dealer in oleomargarine is required to enter in a book, Form 61, the number of packages and pounds of oleomargarine received, the number of packages and pounds, also the serial numbers of packages disposed of, and the name and place of business or residence of each person to whom sold or consigned.

2. This book must always be kept at the dealer's place of business, and be always open to the inspection of any internal-revenue officer or agent.

3. For refusal to keep this book, or for any false entry made therein, or the omission of any entry required to be made therein, with fraudulent intent, the dealer is liable to penalties imposed by section 18 of the act of August 2, 1886.

4. There are nine numbered columns on the first page of this book, numbered from 1 to 9, consecutively, from left to right. Enter in column 1, the date when each lot of oleomargarine is received; in column 2, the name of the manufacturer or other wholesale dealer in oleomargarine from whom received; in column 3, the place whence received; and in columns 4, 5, and 6, respectively, the number of the manufactory at which the oleomargarine was produced, and the district and State in which the manufactory is located. Enter, also, as to each lot in column 7, the number of packages; in column 8, the serial numbers of packages in regular order; and in column 9, the number of pounds *as shown by the tax-paid stamp.* These are all the debit entries, and should be totaled each month to be transcribed on monthly return, Form 217.*

5. There are nine numbered columns on page 2, numbered from 10 to 18, consecutively, from left to right. Enter in column 10, the date when each lot of oleomargarine is disposed of; in column 11, the name of the party to whom sent; in column 12, the place of business or residence; in columns 13, 14, and 15, the number of the manufactory at which the oleomargarine was produced, and the district and State in which the manufactory is located. Enter, also, as to each lot, in column 16, the number of packages; in column 17, the serial numbers of packages in regular order; and in column 18, the number of pounds.

6. Great care must be exercised, in making entries in columns 11 and 12, to state the name and address correctly of each person to whom oleomargarine is delivered. In giving the address of parties to whom goods are sent, specify the county and State, in addition to the city or town, and also state the street and number in cases of shipment to cities wherein the streets are named or numbered and the houses are numbered.

7. All transactions must be entered in the order of time in which they occur, the records as to one day's business being completed before those of the next day are commenced.

8. If the wholesale dealer is also a retail dealer in oleomargarine, he will enter in this book all sales as a wholesale dealer to himself as a retail dealer, giving all the details, including the serial numbers of the packages, as in the case of a sale to another person.

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* See page 42.

9. The serial numbers of packages must be entered in regular order. If, however, three or more numbers in any given lot run consecutively, the highest and lowest may be stated with the word "to" between, as follows: "4 to 24," the 4 being the lowest and the 24 the highest number of the series 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.

10. Manufacturers are instructed, in case goods are shipped by them to third parties on the order of a dealer, to enter on their return on Form 216 the name of the party to whom the goods are actually shipped, and wholesale dealers in oleomargarine are directed not to take up on their books Form 61, or returns Form 217, any oleomargarine not actually received by them.

RETURNS OF WHOLESALE DEALERS IN OLEOMARGARINE.

Wholesale dealers in oleomargarine will make monthly returns on Form 217 (with inside sheets when needed to complete the detailed statements) showing in detail the serial numbers of packages and number of pounds of oleomargarine received direct from manufacturers and other wholesale dealers, also the quantity disposed of, with the name and address of each person to whom sold or consigned. These returns will be rendered on the first day of the month succeeding that for which the return is made, or within five days thereafter, in duplicate, to the collector, who will forward one copy to the Commissioner of Internal Revenue.

It is strictly required that the returns shall be legibly prepared in every particular. Any report not clear and distinct will be returned to the dealer, through the collector, for revision, or an entire new report may be demanded.

If wholesale dealers prefer to furnish their own forms the blanks so provided must be identical in form and character with those supplied by collectors, and the paper must be of quality to endure much handling. Reports prepared on tissue paper will not be received.

The arrangement of the Form is as follows:

1. The detailed statements to be made on the first and following pages and the order of their arrangement are indicated in the recapitulation on the last page. All items in each statement of oleomargarine received or disposed of must be arranged in the order of time in which the goods are received or disposed of, as the case may be. Inside pages have been prepared especially for the purpose of recording oleomargarine sent out, but if needed to continue the details of oleomargarine received, certain headings should be modified. (See footnote on page 2 of Form 217. See instructions as to book, Form 61.)

No detailed statement for entries on line 1 of the Recapitulation is required.

2. The detailed statement of oleomargarine received direct from the manufacturers during the month will be commenced at the top of page 1, and continued in regular order of time from the first to the last business day of the month until complete. The totals of columns "Number of packages" and "Number of pounds" will be carried into the Recapitulation, on line 2.

3. If any oleomargarine has been received during the month from other wholesale dealers, the words "*Oleomargarine received from other wholesale dealers*" will be written in red ink across the page under the total of "Oleomargarine received direct from manufacturers;" and the items and totals of such receipts will be entered under this heading in proper order, and the totals of packages and pounds carried into line 3 of the Recapitulation.

4. If any oleomargarine credited as having been sent out to any customer other than a wholesale dealer is returned as not acceptable, or if any oleomargarine has been for any reason erroneously credited as having been disposed of, it should be charged back into the account. The items of such *counter charges*, if any, with name and address of party returning the article, should be entered under an appropriate red-ink heading under the total of the "Quantity received from other wholesale dealers," and the totals carried into line 4 of the Recapitulation.

5. The totals on line 5 are those of items on lines 1, 2, 3, and 4, and show the whole quantity to be accounted for.

6. If any oleomargarine has been disposed of during the month to other wholesale dealers, the words "*Disposed of to other wholesale dealers*" will be written in red ink across the page, usually the top of the second page, after the total of "Oleomargarine received from other wholesale dealers" (or total of counter charges, if any); and the items and totals of oleomargarine so disposed of will be entered under this heading in proper order, and the totals of packages and pounds carried into line 6 of the Recapitulation.

7. If any oleomargarine has been disposed of during the month to retail dealers, or others not known to be wholesale dealers, the words "*Disposed of to persons not known to be wholesale dealers*" will be written in red ink across the page, under the total of "Oleomargarine disposed of to other wholesale dealers;" and the items and totals of oleomargarine so disposed of will be entered on line 7 of the Recapitulation.

Oleomargarine disposed of by a wholesale dealer to himself as a retail dealer or consumer should be included in this statement.

8. In case oleomargarine is destroyed by fire, or other casualty, on the premises of a wholesale dealer, the details will be entered under an appropriate heading under the "Total disposed of to persons not known to be wholesale dealers," and the totals carried into line 8 of the Recapitulation. Details of special credits made necessary by errors detected in returns for previous months may also be entered in this part of the return and included in the aggregate carried into line 8. Great care should be taken to show that these special credits are proper.

9. If any oleomargarine remains on hand at the close of the month, the words "*Oleomargarine on hand at close of the month*" will be written in red ink across the page under the "Total disposed of to persons not known to be wholesale dealers" (or under the special credits, if any); and the quantity of each manufacturer's product so left on hand will be entered, and the totals will be entered on line 9 of the Recapitulation.

10. The totals on line 10 of the Recapitulation are those of items on lines 6, 7, 8, and 9, and show the whole quantity accounted for. If the account is correct the totals on line 10 will be the same as those on line 5.

11. The totals, packages and pounds, as to each detailed statement, should be stated in ink at the foot of the statement, and if the statement covers one or more entire pages the totals of each page should also be stated in ink at the foot of the page. In case any detailed statement is continued over two or more pages the total at the foot of each page will be carried to the top of the following page, unless the statement covers ten pages; in this case the totals will not be carried from page to page, but all the totals will be stated in a special recapitulation on the last page devoted to the statement.

12. In giving the address of parties to whom goods are sent, specify the county and State in addition to city or town, and also state the street and number in cases of shipment to cities or towns wherein the streets are named or numbered and the houses are numbered. But if the dealer does not know the name of the street or the number of the place of business or residence of any customer reported on the form, and he can not, by the exercise of ordinary diligence, obtain such information, he will enter in part of the space provided for the address or residence the words, "Can not learn street or number," or if there is not room in such space, after entering the name of the town, city,

etc., he may enter the words on the margin of the report, and refer to them by a star (*) or a letter of the alphabet.

13. The number of pounds to be reported should be the number of *taxable* pounds. If, however, the invoice as to goods consigned should state the actual number of pounds, a memorandum of the quantity covered by the invoice should be made at the foot of the page. (See par. 18, p. 38.)

14. State serial numbers in as regular and in as simple a way as possible. If three or more packages in a given lot are numbered in regular order, state only the lowest and highest number of the group, with the word "to" between.

15. Too much care can not be exercised in stating the address of parties to whom sales are made, nor is it possible to write the figures showing serial numbers too plainly.

16. The Recapitulation should be *signed by the firm name* immediately under totals on line 10, and the *person swearing* to the return should *sign* on the dotted lines below the right hand of the printed affidavit. (See instructions as to keeping book, Form 61, commencing on page 42.)

Reports sworn to before persons other than internal-revenue officers, must have the seal of the attesting officer, as well as his signature, properly affixed thereto. If he have no seal his official character must be authenticated under the seal of some officer empowered to so certify (such as the clerk of the court where his commission is recorded) and such authentication must be attached to the return. When the authentication has been once filed it will not be again required during the lifetime of the commission to which it relates, *provided* it specifies the date of expiration of the commission.

When the person swearing to and signing a return is not the dealer himself, difficulty is sometimes experienced by internal-revenue officers in deciding whether the person so swearing and signing has authority to do so. Collectors may, therefore, exact from persons signing for principals residing in a district other than that in which the business is transacted, powers of attorney, or other paper writings conferring upon such persons the necessary authority to make and swear to the returns. In all such cases collectors will furnish the Commissioner of Internal Revenue with a copy of the authority.

RETAIL DEALERS.

SPECIAL TAXES.

Section 3 of the act of August 2, 1886, provides as follows:

"Retail dealers in oleomargarine shall pay forty-eight dollars. Every person who sells oleomargarine in less quantities than ten pounds at one time shall be regarded as a retail dealer in oleomargarine. And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty-seven, thirty-two hundred and thirty-eight, thirty-two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Statutes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section, and to the persons upon whom they are imposed:" * * *

Section 53 of the act of October 1, 1890, provides—

"That all special taxes shall become due on the first day of July, eighteen hundred and ninety one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately, from the first day of the month in which the liability to a special tax commenced to the first day of July following. Special tax stamps may be issued for the months of May and June, eighteen hundred and ninety-one, upon payment of the amount of tax reckoned proportionately under the laws now in force, and such stamps which have been or may be issued for the period ending April thirtieth, eighteen hundred and ninety (*one*), may, upon payment of one-sixth of the amount required to be paid for such stamps for one year, be extended until July first, eighteen hundred and ninety-one, under such regulations as may be prescribed by the Commissioner of Internal Revenue. And it shall be the duty of special tax payers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes."

Section 4 of the act of August 2, 1886, imposes fines upon those who do business rendering them liable to special tax as retail dealers in oleomargarine under the law without paying the special tax, as follows:

* * * * * * *

"and every person who carries on the business of a retail dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than fifty nor more than five hundred dollars for each and every offense."

Under the above provisions of law every person intending to engage in the business of retail dealing in oleomargarine must register with

the collector of internal revenue for the district in which the business is to be carried on, his name or style, place of residence, and the place where the business is to be conducted, and purchase his special tax stamp. In case of a firm or company, the names of the several persons constituting the same, and their places of residence, must be so registered. All persons who are in the business June 30 must take similar action before continuing the business from July 1.

RETAIL DEALERS' PACKAGES.

The form in which retail dealers may sell oleomargarine is prescribed in section 6 of the act of August 2, 1886, which reads as follows:

"That all oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden packages not before used for that purpose, each containing not less than ten pounds, and marked, stamped, and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; and all sales made by manufacturers of oleomargarine, and wholesale dealers in oleomargarine shall be in original stamped packages. Retail dealers in oleomargarine must sell only from original stamped packages, in quantities not exceeding ten pounds, and shall pack the oleomargarine sold by them in suitable wooden or paper packages, which shall be marked and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Every person who knowingly sells or offers for sale, or delivers or offers to deliver, any oleomargarine in any other form than in new wooden or paper packages as above described, or who packs in any package any oleomargarine in any manner contrary to law, or who falsely brands any package or affixes a stamp on any package denoting a less amount of tax than that required by law, shall be fined for each offense not more than one thousand dollars, and be imprisoned not more than two years."

A retail dealer in oleomargarine is permitted by the section above quoted to sell as much as ten pounds of oleomargarine at one sale; but as the same section requires him to sell it from the original stamped package, and section 3 of the act precludes his selling the original stamped package without payment of special tax by him as a wholesale dealer, the only course for him to pursue under these circumstances is to sell this quantity directly from the original stamped package, and deliver it in another package, properly marked and branded, to the purchaser.

See decisions reported under section 3, published in volume 32 Record, p. 318.

While a retail dealer who sells from "original stamped packages" to one person at one time quantities of oleomargarine aggregating more than 10 pounds, which he puts up and delivers in other packages, each containing 10 pounds or less, does not thereby involve him-

self in special-tax liability as a wholesale dealer, since a wholesale dealer in oleomargarine is defined by the statute to be "every person who sells or offers for sale oleomargarine in the original manufacturer's packages," yet he incurs the penalty of $1,000 imposed by section 18 of the act of August 2, 1886, by his infringement of the provisions of section 6 of the act, in selling more than 10 pounds at one time, unless he can show that the oleomargarine in each package so delivered differed in grade from that in the other packages delivered on the same order, and was, therefore, the subject of a separate sale, upon the principle laid down by the court in United States *v.* Wm. V. James (30 Record, p. 29; 32 Record, p. 381).

As the retail dealer is required to sell *from* original stamped packages, and can not, as a retail dealer, sell *in* such packages, he is compelled to make up his own packages.

Retail dealers must not take oleomargarine from the original stamped packages and put it up in other packages *in advance of sales*, and sell such packages. They thereby involve themselves in liability to fine of $1,000, under section 18 of the act of August 2, 1886. Their oleomargarine must remain in the original stamped packages until bargained for and ordered by the customer. (34 Record, p. 17.)

New wooden or paper packages similar to those usually employed in selling butter and lard at retail may be used by the retail dealer in oleomargarine. It is required that each package shall be strong enough to hold the oleomargarine securely, with the exercise of ordinary diligence on the part of the purchaser, until it is delivered at the point of destination.

Each retailer's wooden or paper package must have the name and address of the dealer *printed* or *branded* thereon, likewise the words "pound" and "oleomargarine," in letters not less than one quarter of an inch square, and the quantity *written*, *printed*, or *branded* thereon in figures of the same size (one quarter of an inch square) substantially as follows:

a——————————————————————

b——————————————————————

c——————————————————————

½ POUND

OLEOMARGARINE.

a Here give dealer's name. *b* Here give street number. *c* Here give name of city, or town.

The words "Oleomargarine" and "Pound," which are required to be printed or branded on retailers' wooden or paper packages, in letters not less than one-quarter of an inch square, and the quantity which is required to be *written, printed,* or *branded* thereon in figures of like size, must be so placed as to be plainly visible to the purchaser at the time of delivery to him. Illegible or concealed marks and brands are not those contemplated and required by the law and regulations. It will not be deemed a compliance with this regulation if the word "Oleomargarine" and the other required words and figures shall be illegibly branded or printed, or so placed as to be concealed from view, by being on the inside of the package, or by folding in the stamped portion of the paper sheet used for wrapping, or otherwise. The required words and figures must be legibly printed or branded and conspicuously placed, and no other word or business card should be placed in such juxtaposition thereto as to divert attention from the fact that the contents of the package are wholly oleomargarine.

Black ink must be used on white or light-colored paper or wood. The color of the ink with which the words are printed must be in the strongest contrast to the color of the package.

The question having arisen as to whether retail dealers in oleomargarine may continue the practice of wrapping their goods delivered to customers in ordinary brown wrapping paper, such packages being similar to those usually employed in selling butter and lard at retail, and being also marked as required by the regulations, it is held that such practice is deemed in compliance with the law.

The purchaser, in these cases, is notified of the nature of the article purchased, which seems to be the leading purpose of the provision.

The penalty imposed upon retail dealers for knowingly selling or offering to sell oleomargarine in any other form than in new wooden or paper packages is prescribed in section 6 above quoted.

Section 3 of the act of August 2, 1886, provides that whenever any stamped package containing oleomargarine is emptied, it shall be the duty of the person in whose hands the same is, to destroy utterly the stamps thereon, and upon such person as willfully neglects or refuses so to do, imposes a fine for each offense of not less than fifty dollars, and imprisonment not less than ten days, nor more than six months.

The same section also imposes a fine for each offense not exceeding one hundred dollars, and imprisonment not more than one year upon any person who fraudulently gives away or accepts from another, or who sells, buys, or uses for packing oleomargarine, any empty stamped package.

Any revenue officer may destroy any emptied oleomargarine package upon which the tax-paid stamp is found.

Sections 11 and 12 impose penalties as follows upon any person who knowingly purchases or receives for sale packages that have not been branded and stamped, and for knowingly purchasing or receiving oleomargarine for sale from any manufacturer who has not paid the special tax as such:

"SEC. 11. That every person who knowingly purchases or receives for sale any oleomargarine which has not been branded or stamped according to law shall be liable to a penalty of fifty dollars for each such offense.

"SEC. 12. That every person who knowingly purchases or receives for sale any oleomargarine from any manufacturer who has not paid the special tax shall be liable for each offense to a penalty of one hundred dollars, and to a forfeiture of all articles so purchased or received, or of the full value thereof."

It is the duty of dealers in butter to ascertain the true character of the article which they sell or offer for sale; and if they are found to have sold oleomargarine, though they allege that they believed it to be genuine butter, the special tax and fifty per centum additional will be assessed against them. (Letter to Collector Bigler, March 21, 1889.)

The keeper of a restaurant who furnishes oleomargarine merely to patrons can not be regarded as a retail dealer in oleomargarine. By section 6 of the act a retail dealer is confined strictly to sales "from original stamped packages." (32 Record, p. 381.)

IMPORTED OLEOMARGARINE.

Section 10 of the act of August 2, 1886, provides as follows:

"That all oleomargarine imported from foreign countries shall, in addition to any import duty imposed on the same, pay an internal-revenue tax of fifteen cents per pound, such tax to be represented by coupon stamps as in the case of oleomargarine manufactured in the United States. The stamps shall be affixed and canceled by the owner or importer of the oleomargarine while it is in the custody of the proper custom-house officers; and the oleomargarine shall not pass out of the custody of said officers until the stamps have been so affixed and canceled, but shall be put up in wooden packages, each containing not less than ten pounds, as prescribed in this act for oleomargarine manufactured in the United States, before the stamps are affixed; and the owner or importer of such oleomargarine shall be liable to all the penal provisions of this act prescribed for manufacturers of oleomargarine manufactured in the United States. Whenever it is necessary to take any oleomargarine so imported to any place other than the public stores of the United States for the purpose of affixing and canceling such stamps, the collector of customs of the port where such oleomargarine is entered shall designate a bonded warehouse to which it shall be taken under the control of such customs officer as such collector may direct; and every officer of customs who permits any such oleomargarine to pass out of his custody or control without compliance by the owner or importer thereof with the provisions of this section relating thereto, shall be guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years. Every person who sells or offers for sale any imported oleomargarine, or oleomargarine purporting or claimed to have been imported, not put up in packages and stamped as provided by this act, shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years."

IMPORTED OLEOMARGARINE NOT TO BE STAMPED UNLESS WITHDRAWN FOR CONSUMPTION.

Oleomargarine imported from foreign countries is not required to have the internal-revenue stamps affixed thereto and canceled unless it is withdrawn from the custom-house for consumption or sale in the United States.

Section 10 of the act of August 2, 1886, provides that all oleomargarine imported from foreign countries shall have the proper stamps affixed and canceled by the owner or importer thereof while it is in the custody of the proper custom-house officers. Stamps for this purpose will be sold to the owners or consignees of such imported oleomargarine by the collector of internal revenue for the district in which the custom-house is situated, upon the requisition of the proper custom-

house officer having the custody of such oleomargarine. The requisition will be substantially in the following form:

OFFICE OF THE COLLECTOR OF CUSTOMS,
———, ———, 18—.

SIR: This is to certify that the following-described oleomargarine, viz:

Marks.	No. of packages.	Import vessel.	Date of importation.	Pounds.

is now in my custody, and you are therefore requested to sell and deliver to Mr. ——— ———, the owner or consignee thereof, the proper kind and quantity of stamps to stamp the same, as required by law.

(Signed) ——— ———, *Collector.*

(Collector's seal.)

To ——— ———, Esq.,
Collector, —— *District of* ———.

IMPORTED GOODS WITHDRAWN FOR CONSUMPTION.

All oleomargarine imported from foreign countries, in addition to import duties, is made liable to an internal-revenue tax of 15 cents per pound, and to have the appropriate stamps affixed thereto and canceled. Imported oleomargarine is not required to have affixed to each box or other package a label and caution notice as provided in the case of domestic manufactured oleomargarine.

CHEMISTS AND MICROSCOPISTS.

Section 14 of the act of August 2, 1886, provides—

"That there shall be in the office of the Commissioner of Internal Revenue an analytical chemist and microscopist, who shall each be appointed by the Secretary of the Treasury, and shall each receive a salary of two thousand five hundred dollars per annum; and the Commissioner of Internal Revenue may, whenever in his judgment the necessities of the service so require, employ chemists and microscopists, to be paid such compensation as he may deem proper, not exceeding in the aggregate any appropriation made for that purpose. And such Commissioner is authorized to decide what substances, extracts, mixtures, or compounds which may be submitted for his inspection in contested cases are to be taxed under this act; and his decision in matters of taxation under this act shall be final. The Commissioner may also decide whether any substance made in imitation or semblance of butter, and intended for human consumption, contains ingredients deleterious to the public health; but in case of doubt or contest his decisions in this class of cases may be appealed from to a board hereby constituted for the purpose, and composed of the Surgeon-General of the Army, the Surgeon-General of the Navy, and the Commissioner* of Agriculture; and the decisions of this board shall be final in the premises."

SAMPLES FOR EXAMINATION.

In case the holder of any substance declared by any collector of internal revenue to be oleomargarine and liable to tax is claimed by the holder to be butter or some other substance not liable to tax, the decision of the collector will govern in the matter unless the claimant shall submit a sample of the article for the decision of the Commissioner of Internal Revenue, as provided in the above-quoted section 14.

Each of such samples must weigh not less than *one pound*, and must be taken in presence of an internal-revenue officer. The sample will be put up in a wide-mouthed tin, porcelain, or glass vessel. The vessel must not be soldered, nor subjected to a high temperature. It must be marked and numbered with marks and numbers to correspond with those on the package from which the sample is taken, and in case the package is *without proper* identifying marks, they will be placed upon the package by the collector. The sample package, properly *sealed* and marked, will ordinarily be forwarded through the collector, prepaid by the claimant, to the Commissioner of Internal Revenue. The sample is inspected by the Commissioner, and examined under his directions with such physical and chemical tests as he may direct.

Each sample package must be so marked as to indicate that it is forwarded for the decision of the Commissioner of Internal Revenue under section 14 of the act of August 2, 1886, and will be accompanied by a

* Now Secretary.

letter of the claimant and the collector, in which each will state his views and his reasons therefor in the matter. The decision of the Commissioner, when rendered, will be forwarded to the collector, who will transmit a copy thereof to the claimant.

If the decision of the Commissioner is favorable to the claimant, the goods will be released by the collector. If the Commissioner's decision sustains the view of the collector, the proceedings will be in accordance with so much of the requirements of section 15 of the act as are applicable.

UNSTAMPED OLEOMARGARINE AND OLEOMARGARINE CONTAINING DELETERIOUS SUBSTANCES TO BE FORFEITED.

Section 15 provides as follows:

"That all packages of oleomargarine subject to tax under this act that shall be found without stamps or marks as herein provided and all oleomargarine intended for human consumption which contains ingredients adjudged, as hereinbefore provided, to be deleterious to the public health, shall be forfeited to the United States. Any person who shall willfully remove or deface the stamps, marks, or brands on package containing oleomargarine taxed as provided herein shall be guilty of a misdemeanor, and shall be punished by a fine of not less than one hundred dollars nor more than two thousand dollars, and by imprisonment for not less than thirty days nor more than six months."

In case the substance is detained by the collector as containing ingredients deleterious to the public health, samples may be forwarded to the Commissioner, as in cases involving the question of tax, and may be disposed of in the same manner. If, however, the claimant is unwilling to accept the decision of the Commissioner, he may, in this class of cases, appeal under the law to a board composed of the Surgeon-General of the Army, the Surgeon-General of the Navy, and the Commissioner [now Secretary] of Agriculture, whose decision in the matter is declared by the law to be final.

Notice of appeals must be given to the collector at once upon the receipt of the answer of the Commissioner of Internal Revenue.

The collector will immediately forward the claimant's appeal to the Commissioner, who will, without delay, transmit the appeal to the board of appeals, accompanied by the samples and all papers in the case.

The decision of the board of appeals will be transmitted to the claimant through the Commissioner and collector of internal revenue.

Oleomargarine forfeited to the United States by reason of the nonpayment of the tax may be sold by the officer having charge of the same, subject to the payment of the tax. And such officer will purchase, out of the proceeds of the sale, the proper tax-paid stamps, which

shall be affixed and canceled. And the regulations governing the stamping, branding, and marking of forfeited distilled spirits sold by United States marshals, so far as applicable, are hereby made to apply to the sale of oleomargarine forfeited to the United States.

All oleomargarine forfeited to the United States as being deleterious to the public health may also be sold, but each package so sold, before delivery to the purchaser, must be marked or branded in letters not less than one inch square with the words—

"Condemned as unfit for human consumption and deleterious to the public health."

THE USE OF THE MICROSCOPE AS A TEST FOR OLEOMARGARINE.

The difference between fresh, genuine, unmelted butter and oleomargarine, which is always made in whole or in part of melted fats, can be readily and clearly detected by a microscope with the aid of polarized light, and with or without the use of a selenite plate to cover the field of vision. It is true that genuine butter is sometimes accidentally melted, so that, while the presence of melted fats is not a sure indication that the article is oleomargarine, their entire absence in the article found in the markets, removed from the place of manufacture, is a very strong indication that it is butter.

The microscope has been used since 1873, when the difference in appearance, under this instrument with the aid of polarized light, between melted and unmelted fats was discovered, as a negative test. Owing to the fact that efficient instruments and the necessary attachments have not been procurable, except at great expense and in such form as to be suitable for use only in laboratories, this office has not been able heretofore to avail itself of the use of the microscope in testing for oleomargarine, except in the hands of the microscopist of the office.

Recently, however, an instrument has been secured, at a moderate cost, and suitable for use by local officers in the markets or stores in which butter and oleomargarine are sold, which readily and clearly indicates the difference between the fresh, genuine, unmelted butter and mixtures containing melted fat.

DESCRIPTION OF MICROSCOPE AND ATTACHMENTS.

The instrument consists, first, of a large bell-shaped base, having at its mouth a silvered mirror acted upon by a spring, and at its apex a tube fitted with a tightening ring; second, a draw-tube, working in the tube which forms the upper part of the base, containing at the outer

end a movable eye-piece, and fitted at the other end, which is to be inserted into the upper part of the base, with a polarizing attachment called a Nicol's prism or analyzer, and a half-inch object glass, or objective, the Nicol's prism to be first screwed into the end of the draw-tube, and then the objective to be screwed into the Nicol's prism; third, another Nicol's prism, called the polarizer, fitted with a condensing lens to be attached to the mouth of the base by the means provided for the purpose.

This instrument, when furnished, will be put up in a small wooden box containing a number of glass slides and covers, on which the object to be viewed is to be placed.

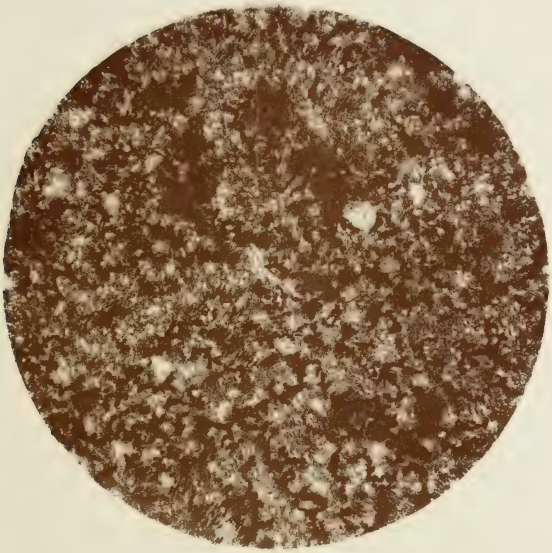
METHOD OF USING THE MICROSCOPE AND ATTACHMENTS.

The instrument will be used in the following manner: Place a small portion, with the point of a penknife, of the fresh sample taken from the inside of the mass on the middle of one of the glass slides found in the box; place a cover on it; press the cover down on the slide with the blunt end of a pencil, care being taken to make the object sufficiently translucent, and insert the slide, with cover towards objective, in the slot prepared for it in the mouth of the instrument; press each end of the glass slide down gently, and turn it slightly, so that the corners will be held in place by the spring pressing against the back of the mirror, care being taken to get the object in front of the objective; pull out the eye-piece about five sixteenths and the draw-tube about three-quarters of an inch; attach the analyzer to the base, and look through the instrument held towards the direct light from a window, or a gas or lamp flame placed within a short distance; slide the tube slowly in or out until the object is sharply defined; then, still holding the instrument towards the light, rotate the polarizer in the base (which is provided with a milled head for the purpose) until the field of view is dark. If melted fats are present the field will be illuminated with bright, white particles. (See illustrations.)

In case the owner, or claimant, holds that the article is butter, notwithstanding the above appearance, a sample may be subjected, if necessary, to a thorough chemical analysis under the supervision of the Commissioner of Internal Revenue. (See page 55.)

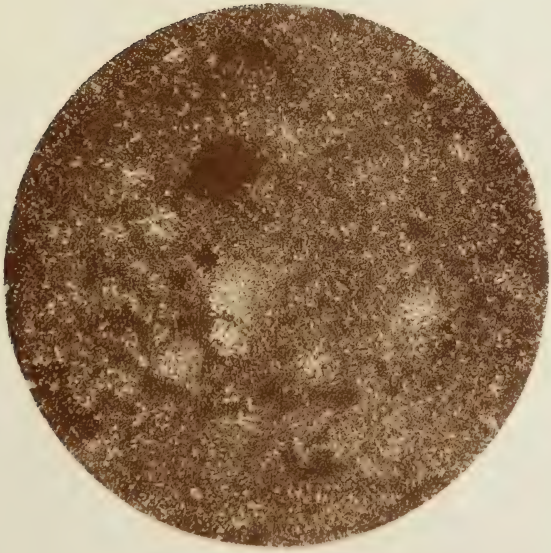
But where nothing is seen except the characteristic globules, the granular masses of curd, and the cubical crystals of salt, even when the polarizer is turned so that the field is lightest, the sample can at once be passed as genuine butter, however rancid to the taste or smell it may be.

Fig 1



OLEOMARGARINE x160

Fig 2



BUTTERINE x160

A. Hoen & Co. Lithocaustic, Baltimore

The glass slides can be cleaned in soap and hot water and used repeatedly, care being taken to have them clean and free from grease when used.

The accompanying photolithographs, from original negatives taken in the Chemical Division of the Department of Agriculture, show the characteristic appearance of a fresh sample of "oleomargarine" made principally from oleo oil, and of "butterine" (also "oleomargarine" under the internal revenue law) made principally from neutral lard, when viewed under the microscope and polarized light.

DEFINITION OF POLARIZATION AND EXPLANATION OF THE PECULIAR APPEARANCE OF MELTED FATS UNDER POLARIZED LIGHT.

The hard fats, palmatin and stearin, exist in a state of solution in the globules of fresh samples of butter and in the fats of living animals.

Upon being melted and cooled, these hard fats separate out in the form of slender (acicular) crystals which polarize light, owing to their being double refracting bodies.

Polarization is a physical condition produced in rays of light by reflection or refraction, in which they exhibit unequal intensities when subsequently reflected in different planes at a constant incidence. This is their most characteristic property.

The different processes, reflection, ordinary refraction, double refraction, and scattering by small particles, by means of which a ray of light may be polarized, and the definite mathematical laws by which the different phases are explained, are evidently foreign to these regulations.

The process of double refraction is made use of in the construction and employment of the Nicol's prisms, which are composed of a rhomb of Iceland spar (carbonate of calcium) cut and cemented together.

Every instrument for investigating the properties of polarized light consists essentially of two parts, one for polarizing the light, the other for ascertaining or exhibiting the fact of light having undergone polarization. The former part is called the polarizer, the latter the analyzer. Any instrument that can be used as a polarizer can also be used as an analyzer. When the principal optical sections of the two Nicol's prisms, *i. e.*, when the shorter diagonals of the two prisms coincide in direction, the field of the microscope appears clear and well illuminated. When, however, they are set at right angles to one another, there should be a total extinction of light, the field appearing perfectly dark. In intermediate positions the field becomes more or less obscure, the obscurity

increasing as the principal sections of the Nicol's prisms approximate to an angle of 90°.

Double refraction takes place in all transparent media, except those bodies specified as single refractives, viz, homogeneous bodies uniform in density, noncrystalline, or isometrically crystallized. It occurs also in all transparent media when in a state of tension or strain, temporary or permanent, as in glass stretched, compressed, bent, or unequally heated, in gum, resin, etc.

Supposing the Nicol's to be crossed and the field to be quite dark, any single refracting object, a slip of glass, or a thin slice of rock salt, for instance, if placed on the stage of the microscope, will produce no change, the field still remaining dark. But if a double refracting object, such as a thin section of most crystals, except those of the isometric system, be introduced, the field appears brightly illuminated, and colored if the film is sufficiently thick.

INSTRUCTIONS TO COLLECTORS CONCERNING THE RECEIPT AND CARE OF MICROSCOPES AND THE METHOD OF ASCERTAINING TAX LIABILITY WITH THE AID OF THE INSTRUMENTS.

Every collector of internal revenue, in executing the requirements of section 3172, Revised Statutes, directing him to "cause his deputies to proceed through every part of his district and inquire after and concerning all persons therein who are liable to pay a special tax, and all persons owning or having the care and management of any objects liable to pay any tax, and to make a list of such persons and enumerate said objects," will, if possible, whenever the inquiry is for the purpose of finding oleomargarine on which the tax has not been paid, furnish each such deputy with one of the microscopes described in these regulations.

Upon receiving the microscope the deputy will receipt therefor in duplicate on Form 227, one copy to be delivered to the collector and one copy to be mailed by the deputy to the Commissioner of Internal Revenue. The form of receipt is as follows:

FORM 227.—U. S. INTERNAL REVENUE.

Receipt for internal revenue microscope and accessories.

[To be executed in duplicate; the "original" to be delivered to the collector and the "duplicate" mailed to the Commissioner of Internal Revenue.]

[ORIGINAL.]

Received from ——— ———, Collector of Internal Revenue of the —— District of ———, one Internal Revenue Microscope No. ——, with

polarizing attachments: also —— glass slides, —— glass covers, and —— gummed labels, all in good order and securely packed in a suitable case; also —— Memorandum Book No. 63, and —— blank reports, Form 228.

——— ———,
Deputy Collector.

Dated at ——— ———, this —— day of ———, 18—.

As only a limited number of microscopes has been obtained, it is necessary to have these in constant active use, in order to have anything like a thorough canvass of the districts made with them within a reasonably short space of time.

The collector, therefore, who delivers one of these instruments to a deputy collector will direct the deputy, as soon as he is familiar with the workings of the instrument, to proceed immediately through his division, and to direct his inquiries and examinations exclusively to products exposed for sale as or for butter with a view to ascertain whether they are really oleomargarine, and hence to determine the liability of the persons offering the same for sale to the payment of special tax as dealers.

He should examine all unstamped goods in the hands of dealers in oleomargarine and in the hands of other dealers to whom oleomargarine has been consigned. He will also examine the stocks of all butter-dealers who consent to such examinations. If anyone objects he will immediately report the fact to the collector in writing, and then at once proceed to the next place to be examined.

It is believed that most dealers in butter who do not suspect that any oleomargarine will be found in their stores, etc., will readily consent to the slight inconvenience which this examination involves, especially as it will furnish them with information relative to the quality of their goods which they may be otherwise unable to obtain.

As the deputy collector proceeds with the examination he will note results in a memorandum book (Book No. 63) as to each package, giving such particulars as will enable him to prepare his report on Form 228. The memorandum book is bound in leather, and is of a size convenient to be carried in one's coat pocket. It contains one hundred pages, each of which is arranged in the following form:

Memorandum of each package examined this ——— day of ——— 18—, with Int. Rev. Microscope No. ——, on premises of ——— ———. No. ——— ——— street, town or city of ———, county of ———, and State of ———

No. of line.	1. Kind of package.	2. Name of article stated on package or by owner.	3. Name of article shown by the examination.	4. Class of oleo.	5. Condition of article.	6. Remarks.	No. of line.
1							1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

Upon completing his examination, or at the close of each day, if more than one day is required, the deputy collector will make up separate reports on Form 228, in duplicate, of examinations made at each place of business, etc., one copy to be furnished to the collector and one to the Commissioner of Internal Revenue.

Form 228 mentioned is a single sheet, ruled and printed to agree with the form observed in the memorandum book above described.

In case the deputy collector finds any unstamped article which appears from his examination to be oleomargarine, and the holder asserts that it is not oleomargarine, the officer will detain it, and immediately submit the matter to the collector, with sample, who will also examine it. If the owner will not consent to detention for a period of time sufficient for submission of the matter to the collector, then the deputy will seize. If the collector agrees with the deputy in the matter, and the holder persists in his original assertion, he may appeal to the Commissioner in the manner provided by law. (See pp. 55 and 56.)

Upon furnishing the collector with his report on Form 228 the deputy collector will also return the instrument, with accompanying slides and covers, first, however, carefully cleaning with soap and warm water all slides containing samples of pure butter, and labeling and numbering with a number to correspond with the proper line of his report on

Form 228 all slides on which samples of the substances which do not appear to be pure butter are found.

The collector will, upon the return of the instrument, immediately reissue it to a deputy in charge of another division in his district, and, unless otherwise directed by the Commissioner of Internal Revenue, will pass it from one deputy to another until his district is thoroughly canvassed. He will then promptly notify the Commissioner of Internal Revenue of the fact, in order that, if needed, the instrument may, without delay, be forwarded to the collector of another district.

TAX-PAID AND EXPORT STAMPS FOR OLEOMARGARINE.

The *tax-paid stamps* for oleomargarine have been engraved and bound in book form in denominations of 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100 pounds. Each book contains 200 stamps and 1,800 coupons. Each package removed from the factory upon payment of the tax should have but one of these stamps affixed, which will correctly represent the taxable quantity in the package, provided the same does not exceed 109 pounds. If the net weight is greater than 109 pounds and not greater than 218 pounds, the tax will be represented by two stamps only; where the quantity exceeds 218 pounds and is not greater than 327 pounds, the tax will be represented by three stamps. For example: A 120-pound package may be covered by a 100-pound stamp with nine coupons and a 10-pound stamp with one coupon; and a 320-pound package may be covered by two 100-pound stamps each with nine coupons and one 100-pound stamp with two coupons.

The tax-paid stamp must be signed by the collector and have written thereon the date of the payment of the tax, the number of pounds, the serial number of the package, the number of the factory, and the name of the person by whom or for whom it was canceled.

Stamps for the payment of tax on oleomargarine are furnished to collectors of internal revenue on requisition Form 223.

Oleomargarine *export stamps* are printed in book form, each book containing 400 stamps, and are issued to collectors on requisition Form 223. Each stamp must show the name of the collector issuing the same, together with his district and State, also the name of the manufacturer to whom issued, the serial number of the package, the number of the factory, the number of pounds, contents, and the name of the collector or deputy collector by whom the stamp is affixed and canceled.

COLLECTORS' RECORDS AND MONTHLY AND QUARTERLY RETURNS.

Book No. 62.

Each collector will keep a record, on book No. 62, of all oleomargarine produced in his district, the quantity removed from manufactories for consumption or sale, and the quantity removed for export free of tax. There are sixteen numbered columns on each page of this book, numbered from 1 to 16 consecutively, from left to right.

The first column is for the number of the manufactory; the next for the name of the manufacturer; in column 3 should be stated the number of packages produced during the month; in column 4, the serial numbers of the packages; state in column 5 the number of pounds produced during the month; in column 6 give the amount of tax, at two cents per pound, on the quantity removed in bond for export and unaccounted for; column 7 is for the date of the export bond; column 8 for the penal sum of the export bond; in column 9 give the number of packages withdrawn or lost; column 10, the serial numbers of the packages withdrawn or lost; column 11, the kind of stamp ("T. P." for tax paid, "Ex." for export); column 12, the number of pounds withdrawn or lost; in column 13, the number of packages on hand last day of the month; in column 14, the serial numbers of packages on hand the last day of the month; in column 15, the number of pounds on hand the last day of the month; and in column 16, the amount of tax paid at two cents per pound.

At the foot of each page is a form prepared for a statement of the "total produced," "quantity on hand at the end of the month" (preceding month), and "total to be accounted for;" "total withdrawn;" "total lost;" "quantity on hand last day of the month," and "total accounted for."

The number of pounds to be entered in this book should be the number of taxable pounds. For instance: A package containing 10½ pounds actual weight, should be entered as containing 11 pounds, because, under the law imposing the tax, the half pound is regarded as a whole pound.

Form 221.—Monthly return.

Each collector will render to the Commissioner of Internal Revenue a monthly return of products, withdrawals, and stock on hand, each return to be on Form 221, which is substantially as follows:

The first page is arranged for a summary of the month's operations, to be stated in debit and credit form, showing number of packages, number of pounds, and amount of tax.

On the debit side will be stated—

On line 1, stock on hand in manufactories per last report; on line 2, quantity removed for export and unaccounted for, per last report. On line 3, quantity produced during the month, as per detailed statement No. 1. Line 4 is left for possible special entries.

On the credit side will be stated—

On line 5, quantity withdrawn, tax-paid as per detailed statement No. 2; on line 6, quantity withdrawn for export—short entry, as per statement No. 3; on line 7, quantity lost in transit, for export, allowed, as per statement No. 4; on line 8, quantity lost or destroyed in manufactories, allowed, as per statement No. 5; on line 9, quantity exported and accounted for, as per statement No. 6; on line 10, quantity withdrawn for export and unaccounted for, as per statement No. 7; on line 11, stock on hand at close of month, as per statement No. 8. Lines 12, 13, and 14 are left for possible special entries.

For every entry in the account on the first page, a detailed statement is required, except for entries on lines 1 and 2, and such detailed statements should be made on the inside pages of the form, for each manufacturer.

The data required for each item of the different statements are indicated by the printed heading of each column, as follows:

Column 1, name of manufacturer; column 2, number of factory; column 3, number of packages; column 4, serial numbers of packages; column 5, number of pounds; and column 6, date.

The report must be dated and signed by the collector in the place provided on page 1 thereof.

Form 254.—Monthly return.

On the first business day of each month every collector will cause to be prepared, *with great care*, a report, on the following form, of the persons or firms who have paid special tax as dealers (including manufacturers) in oleomargarine during the preceding month, and at once forward the same to the Commissioner of Internal Revenue:

Form 254.

U. S. Internal Revenue.

Report of persons who paid special tax as dealers in oleomargarine during the month of ———, 18—, in the —— district of ———.

Name.	Place of business.		Wholesale or retail.	From what date.
	City or town.	Street and No.		

Dated ———, 18—. ——— ———,
Collector.

[This report is to be made to the Commissioner of Internal Revenue monthly and must contain the names of all persons or firms who paid special tax as dealers in oleomargarine during the preceding month. If no such special taxes have been paid during that period a statement to that effect should be written across the face of the form.]

Form 246.—Quarterly return.

A quarterly report must be made by each collector of internal revenue of the number of examinations made with the internal-revenue microscope in his district, by himself or his deputies, of articles resembling butter, and calculated or intended to be sold as or for butter. The report must also show the condition of the microscopes and accessories in the collector's district. The form is substantially as follows:

Form No. 246.

UNITED STATES INTERNAL REVENUE.

Report relative to internal-revenue microscopes in the ——— District of ———, for the quarter ended ———, 18—.

I.—*Statement of work done with the microscopes.*

Date of examination.	Serial No. of microscope used.	No. of samples examined.			Name of examiner.	Remarks.
		Found to be butter.	Found not to be butter.	Total.		

II.—*Number and condition of microscopes and accessories on hand at end of quarter.*

Serial number of microscopes.		Number of glass slides.	Quantity of glass covers.	No. of books, Form No. 63.	No. of blanks, Form 228.	Remarks.
	*					

Dated this ——— day of ———, 18—.

———— ————,

Collector, —— *District of* ———.

*Enter in this column the letters "G" for good condition, or "B" for bad condition.

OFFICE FORM NO. 263.

This is a form for use in the office of the Commissioner of Internal Revenue, and will not be employed by collectors excepting in the manner hereinafter pointed out. The arrangement of the form is as follows:

[Office Form 263.]

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE.

Abstract of oleomargarine sold and shipped to dealers or consumers in the —— District of——

Date.	Number of packages.	Serial numbers of packages.	Weight, net.	Name of purchaser.	Residence or place of business, including street and No. where practicable.	By whom sold.	Dist.	State.

Upon this form an abstract is prepared of all sales to persons who do not appear from the records of the office of the Commissioner of Internal Revenue to have paid special tax as dealers for the special tax year in which the sale was made, and whose liability thereto it is desirable to ascertain. The abstracts thus prepared are sent to collectors, who will cause sufficient investigation to be made to determine the liability of the persons named to the special tax. These investigations must be made, and the results thereof reported to the Commissioner with as little delay as possible. These reports should be made upon the abstract sheets, and must be specific with respect to each name appearing thereon, thus:

Note in red ink, on the line with each name, the word "hotel," "hospital," "restaurant," or "for own consumption," etc., as the case may be.

If any person named in the abstracts is found to be a dealer in oleomargarine, enter on the line with the name the letters W. D. for wholesale dealer, and R. D. for retail dealer, as the case may be, and on the back of the form make a statement of the steps taken to secure payment of the tax and penalties, and give the date when the tax became due.

If after thoroughly investigating a case the collector is doubtful as to the liability of the person to special tax, he will at once fully report the facts to the Commissioner of Internal Revenue.

The use by collectors of Form 255 in connection with the above-described abstracts (Form 263) will hereafter be discontinued.

BLANK FORMS.

Collectors will be furnished with the following blank forms upon proper requisition therefor:

Form No.

33.....Sureties' affidavit to accompany manufacturer's bond.
213..... Oleomargarine manufacturer's notice.
214.....Oleomargarine manufacturer's bond.
215.....Oleomargarine manufacturer's inventory.
216.....Oleomargarine manufacturer's monthly return.
217.....Oleomargarine wholesale dealer's monthly return.
218.....Oleomargarine manufacturer's order for stamps.
220.....Oleomargarine manufacturer's export bond.
221.....Collector's monthly oleomargarine account.
222.....Collector's monthly report of oleomargarine stamps received, sold, and on hand.
223.....Collector's requisition for stamps for oleomargarine.
227.....Deputy collector's receipt for microscope and accessories.
228.....Deputy collector's report of examinations made with microscope.
246.....Collector's quarterly return relative to microscopes.
254.....Collector's monthly report of persons who pay special tax as dealers in oleomargarine.

BLANK BOOKS.

Book No.

60.....Oleomargarine manufacturer's record.
61.....Oleomargarine wholesale dealer's record.
62.....Collector's oleomargarine record.
63.....Deputy collector's memorandum of examinations with microscope.

PENALTIES.

The following is a brief summary of some of the penal clauses of the laws relative to oleomargarine:

PENALTY.	ACT OF AUGUST 2, 1886.
Payment of tax and fine. See sec. 4.	For manufacturing oleomargarine for sale without having paid the special tax.
Same.	For carrying on the business of a wholesale dealer without having paid the special tax.
Same.	For carrying on the business of a retail dealer without having paid the special tax.
Fine. See sec. 11.	For knowingly purchasing or receiving for sale oleomargarine which has not been branded and stamped according to law.
Fine and forfeiture of all articles purchased, or of full value thereof. See sec. 12.	For knowingly purchasing or receiving for sale any oleomargarine from any manufacturer who has not paid the special tax.
Fine and imprisonment. See sec. 13.	For willfully neglecting or refusing to destroy the stamps on an emptied package.
Same.	For fraudulently giving away or accepting, buying, selling, or using for packing, any empty stamped package.
Fine and imprisonment. See sec. 15.	For willfully removing or defacing the stamps, marks, or brands on packages containing oleomargarine taxed according to law.
Fine and imprisonment and forfeiture of factory, machinery, and stock. See sec. 17.	Manufacturers who defraud or attempt to defraud the Government of the tax on oleomargarine produced by them.
Fine. See sec. 7.	Manufacturers who neglect to affix the label bearing the caution notice to any package containing oleomargarine made by them, or sold or offered for sale, and any person who removes any such label from any package.
Fine and imprisonment. See sec. 6.	For falsely packing in any package any oleomargarine contrary to law.
Same.	For falsely branding any package.
Same.	For affixing a stamp to any package denoting a less amount of tax than that required by law.

For failure to pack, brand, and stamp imported oleomargarine—every importer.

Liability to the penalties prescribed for similar failures on the part of manufacturers of oleomargarine manufactured in the United States. See sec. 10.

Every customs officer who permits any oleomargarine to pass out of his hands or control, without compliance by the importer with the law relative to packing, branding, stamping, etc.

Fine and imprisonment. See sec. 10.

For selling or offering for sale imported oleomargarine, not packed and stamped according to law.

Same.

For neglect to keep special tax stamp conspicuously posted.

Penalty equal to tax, and costs of prosecution. See sec. 3239, R. S.

For willful neglect or refusal to keep special tax stamp conspicuously posted.

Double the above. See sec. 3239, R. S.

Upon any manufacturer of oleomargarine who sells or removes for sale or consumption any oleomargarine upon which the tax is required to be paid by stamps without the use of proper stamps.

Tax in addition to the penalties imposed by law for such sale or removal. See secs. 9 and 17.

For failure or neglect by manufacturers or wholesale dealers in oleomargarine to keep books and render returns as required.

Fine of $1.000 and forfeiture of oleomargarine. See sec. 18.

In addition to the foregoing specific penalties pointed out, section 18 of the act of August 2, 1886, provides as follows, respecting manufacturers of oleomargarine and dealers, importers, and exporters thereof:

* * * "That if any manufacturer of oleomargarine, any dealer therein or any importer or exporter thereof shall knowingly or willfully omit, neglect, or refuse to do or cause to be done, any of the things required by law in the carrying on or conducting of his business, or shall do anything by this act prohibited, if there be no specific penalty or punishment imposed by any other section of this act for the neglecting, omitting, or refusing to do, or for the doing or causing to be done, the thing required or prohibited, he shall pay a penalty of one thousand dollars; and if the person so offending be the manufacturer of or a wholesale dealer in oleomargarine, all the oleomargarine owned by him, or in which he has any interest as owner, shall be forfeited to the United States."

All fines, penalties, and forfeitures may be recovered in any court of competent jurisdiction.

The payment of an internal-revenue tax shall not be held to exempt from penalties or punishments provided by State laws.

These regulations will take effect March 12, 1891.

JOHN W. MASON,
Commissioner of Internal Revenue.

Approved.
A. B. NETTLETON,
Acting Secretary of the Treasury.

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(Series 7, No. 9—Revised March 12, 1891.)
SUPPLEMENT No. 1.

UNITED STATES INTERNAL REVENUE.

REGULATIONS

RELATIVE TO

PACKAGES FOR EXPORTING OLEOMARGARINE.

JULY 9, 1891.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1893.

[Series 7, No. 9.—Revised March 12, 1891.]

SUPPLEMENT No. 1.

REGULATIONS RELATIVE TO PACKAGES FOR EXPORTING OLEOMARGARINE.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, July 9, 1891.

Section 16 of the act approved August 2, 1886, provides that oleomargarine may be removed from the place of manufacture for export to a foreign country without payment of tax, under such regulations and the filing of such bonds and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. It also requires every person who shall export oleomargarine to brand upon every tub, firkin, or other package containing such article, the word "oleomargarine," in plain Roman letters not less than one-half inch square.

In accordance with the provisions of the above-mentioned section oleomargarine may be removed from the place of manufacture for export to a foreign country in tubs, firkins, or other packages containing not less than 10 pounds of such article, of such material and form as the exporter may select, provided that the package so used is capable of being and is marked, branded, and stamped or labeled as required by law and regulations.

Manufacturers may put up oleomargarine for export in wooden, tin, or other vessels containing not less than one pound each, which must, however, be packed in tubs, firkins, or other packages as indicated in the preceding paragraph: *Provided*, The application for the withdrawal of the oleomargarine for exportation (Form 220 A) fully sets forth the kind and capacity of each such vessel, and the number thereof put into each tub, firkin, or other package described in the preceding paragraph: *And provided also*, The tubs, firkins, or other packages containing the smaller packages be not nailed, sealed, or otherwise closed until inspected in the following manner by the proper collector of internal revenue, or his deputy: Before the tub, firkin, or other package is nailed, sealed, or otherwise closed for shipment the inspecting officer

shall examine to see that it contains the number of vessels of the kind and capacity set forth in the application for the withdrawal, and if found by him to agree with the statements therein he will allow the package to be closed, and shall immediately thereafter place thereon the required marks, brands, and stamps or labels.

All regulations inconsistent with the above are hereby rescinded.

It will be observed that existing regulations in regard to the withdrawal of oleomargarine for exportation and the inspection of the same, except as above modified, and the filing of export bonds and evidence of clearance of the goods, are still in force, and must be fully complied with.

JOHN W. MASON,
Commissioner.

Approved:
CHARLES FOSTER,
Secretary of the Treasury.

Series 7, No. 10.—Revised October 23, 1890.

UNITED STATES INTERNAL REVENUE.

REGULATIONS

RELATING TO

THE EXPORTATION OF FERMENTED LIQUORS IN BOND

WITHOUT PAYMENT

OF

INTERNAL-REVENUE TAX

UNDER

ACT OF CONGRESS APPROVED JUNE 18, 1890.

OCTOBER 23, 1890.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

TREASURY DEPARTMENT.
Document No. 1364.
Internal Revenue.

55277

(Series 7, No. 10—Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

GOVERNING

THE EXPORTATION OF FERMENTED LIQUOR IN BOND WITHOUT PAYMENT OF INTERNAL-REVENUE TAX.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, D. C., October 23, 1890.

The following regulations are issued pursuant to an act of Congress, approved June 18, 1890, which provides:

That from and after the first day of January, eighteen hundred and ninety-one, fermented liquor may be removed from the place of manufacture, or storage, for export to a foreign country, without payment of tax, in such packages and under such regulations, and upon the giving of such notices, entries, bonds, and other security, as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury may from time to time prescribe; and no drawback of tax shall be allowed on fermented liquor exported on and after the first day of January, eighteen hundred and ninety-one, unless entered for exportation prior to such date.

PRELIMINARIES TO THE ENTRY OF FERMENTED LIQUOR FOR EXPORTATION.

In order that fermented liquor may be exported free of tax, either in the original packages or when bottled for that purpose, provision is herein made—

(1) For its removal from the brewery, or place of storage, in original packages, *for direct exportation* (article 23 *et seq.*).

(2) For removal from the brewery or place of storage in original packages to a bottling establishment *to be bottled for export* (article 7).

(3) For removal from the brewery to a bottling establishment *by pipe line or conduit* (article 8).

(4) For removal for export from a bottling establishment, after the liquor has been bottled and cased for export (article 23 *et seq.*).

ARTICLE 1. Where fermented liquor is to be removed from the brewery premises in either of the foregoing named cases, the brewer will file with the collector of the district, and before any such removal is made, a bond in duplicate in the following form, and with sureties satisfactory to that officer; one copy of the bond to be retained by the collector and one copy, with his approval indorsed thereon, to be forwarded by him to the Commissioner of Internal Revenue:

FORM A.

(*Export bond, act June* 18, 1890.) (*Fermented liquor for export.*)

No. ——.

Know all men by these presents, that we, ——— ———, as principal, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals, at ———, this —— day of ———, 18—.

The condition of this obligation is such, that whereas the aforesaid principal intends to remove for export without payment of tax, under the provisions of an act of Congress, approved June 18, 1890, certain fermented liquor produced or hereafter to be produced at his brewery, situated at ———, in the ——— collection district of ———. Now, therefore, if the said principal shall, as to all fermented liquor so removed from his said brewery, or other place of storage, either for direct exportation or to be bottled for export, faithfully and fully comply with all the requirements of said act of Congress and regulations issued pursuant thereto; and shall furnish or cause to be furnished to the collector of internal revenue for said district and to the Commissioner of Internal Revenue, and within ninety days from the date of each such removal, satisfactory evidence showing that said liquor has been duly entered for export and actually cleared for a port or place without the jurisdiction of the United States, and shall truly account for all export stamps issued to him for said liquor, or shall, if so elected by the Commissioner of Internal Revenue, in case of failure or neglect to do, or cause to be done, the things hereinbefore conditioned, pay, or cause to be paid, to the collector aforesaid double the amount of tax on the liquor as to which such neglect or failure occurs, then this obligation to be void, otherwise to remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Signed, sealed, and delivered in the presence of—

——— ———.
——— ———.

In preparing the bond the following instructions must be particularly observed and complied with, viz:

1st. The Christian names must be written in the body of the bond in

full, and so signed to the bond, and the execution of the bond must be duly acknowledged by each of the signers before the collector or deputy collector, or an officer authorized to take the acknowledgment of deeds. When a bond is signed by an officer of a corporation, the seal of the corporation must be affixed, and evidence of the authority of the officer to sign and to affix the seal filed with the collector and Commissioner of Internal Revenue.

2d. The residence of each signer must be stated in the bond.

3d. A seal of wax or wafer must be attached to each signature.

4th. Each signature must be made in the presence of two witnesses, who must sign their names as such.

5th. The bond must be dated, and there must be at least two sureties.

6th. The sufficiency of the sureties should be shown by affidavits made on Form 33.

ART. 2. The penal sum of the foregoing bond must at least equal double the amount of tax on the estimated quantity of liquor to be removed for exportation by the principal during a period of three months, and in no case less than $1,000. In case the penalty of the bond given is found to be insufficient, or in case of death, insolvency, or removal of either of the sureties, or for any other good cause, the collector of the district will require a new and satisfactory bond to be executed, and will forward a copy thereof to the Commissioner of Internal Revenue as in the case of an original bond.

I.

REMOVAL OF FERMENTED LIQUOR FROM A BREWERY IN ORIGINAL PACKAGES.

ART. 3. Upon the approval of the foregoing bond the collector will issue to the brewer export stamps of the following description, to be receipted for by the brewer and affixed by him to all original packages containing fermented liquor to be removed from his premises, either for direct exportation or for transfer to a bottling establishment.

Such stamps, with attached coupons, will be issued in book form, each book containing 200 stamps of a representative value of $400, without the usual discount of 7½ per cent. (the tax on the full number of packages of the largest size covered by the stamps), which amount, together with the tax on the quantity of liquor removed from the brewery by pipe-line or conduit (article 8), will be a contingent charge against the brewer as hereinafter provided.

In no instance should the outstanding charges above noted exceed 50

per cent. of the penalty of the bond, Form A. [For method of ascertaining such outstanding charges, see article 38.]

Notice.—This margin to be folded under stamp and attached coupons, before pasting, so that the portion of the stamp and coupons above dotted line may be removed from package without injury.

2	1	½	⅓	¼	1-6	⅛	Form B. No. ...	Brewer.
One hogshead.	One barrel.	One half barrel.	One third barrel.	One fourth barrel.	One sixth barrel.	One eighth barrel.	EXPORT STAMP. FERMENTED LIQUOR For Export. *Under act of June* 18, 1890.	

ART. 4. Before removal of the liquor, either for direct exportation or for transfer to a bottling establishment, the brewer will affix to each package, *and directly over the spigot hole*, the export stamp above prescribed, with the requisite coupons attached, so that the denomination of the *last* coupon to the affixed stamp will correspond to the size of the package. For example, for a package containing 31 gallons (1 barrel), the stamp and six coupons will be attached to the package. The stamps must, in every instance, be detached from the stubs and used in the order in which they are numbered—*i. e.*, in consecutive order—and where the stamps comprising a book have been used, the book containing the stubs of such stamps will be at once returned by the brewer to the collector, who will forward the same to the Commissioner of Internal Revenue.

ART. 5. The stamps to be used as prescribed in the foregoing article must be securely pasted to the package, and in addition thereto the *end* of that portion of the stamp not pasted to the package (as shown in article 3) will be fastened to the package by means of tacks. Where the liquor is transferred to a bottling establishment such stamps must, in every instance, be destroyed by driving a spigot or air faucet of equal size through the same at the time the liquor is drawn off. The stamps, however, should be so affixed to the packages as to admit of a spigot being driven through the same without injury to that portion of the stamp bearing the serial number and denomination of the attached coupons to be removed by the bottler, as required in article 12.

ART. 6. Where liquor intended for export is contained in packages, each of a capacity exceeding one hogshead, two or more export stamps (the denominations of the last coupons on which, together, represent the actual contents of the package) may be affixed.

ART. 7. After the packages containing the liquor have been stamped

as herein provided, the same may be removed from the brewery for direct exportation (article 23) or for transfer to a bottling establishment to be bottled for export.

II.

REMOVAL OF FERMENTED LIQUOR TO A BOTTLING ESTABLISHMENT BY PIPE-LINE OR CONDUIT.

ART. 8. Where fermented liquor is to be conveyed from a brewery to a bottling establishment by a pipe-line or conduit, the brewer of such liquor will at once notify the collector, or the proper deputy collector, of the intended removal, specifying in his notice the location of the brewery and the bottling establishment, the time when such intended removal is to be made, and the quantity to be so removed.

ART. 9. On the receipt of the foregoing notice, the premises designated will be visited by a deputy collector, who will supervise the transfer of the liquor in the manner prescribed in *Regulations, Series* 7, *No.* 6, *Supplements Nos.* 1 *and* 2, in case of removal on payment of taxes.

A memorandum of the quantity of liquor so transferred and the date of transfer should be kept by both the brewer and bottler, and also by the officer.

III.

BOTTLING AND CASING FERMENTED LIQUOR FOR EXPORT.

ART. 10. Where fermented liquor to be removed from a brewery or other place of storage is intended to be bottled for export, the collector will, on approving the bond, Form A, issue to the *brewer* a supply of export labels of the following form.

When the liquor is to be bottled by a person other than the brewer, the brewer will supply the bottler with labels sufficient to cover the full quantity so removed, and the labels should in every instance be issued and used in the order in which they are numbered.

These labels will be issued in book form of two hundred each, and when used in the manner prescribed, the book containing the stubs of such labels will be immediately returned to the collector, as in the case of export stamps, Form B (article 4).

One Gallon. 17	17
One Gallon. 16	16
One Gallon. 15	15
One Gallon. 14	14
One Gallon. 13	13
One Gallon. 12	12
One Gallon. 11	11
One Gallon. 10	10
One Gallon. 9	9
One Gallon. 8	8
One Gallon. 7	7
One Gallon. 6	6
One Gallon. 5	5
One Gallon. 4	4
One Gallon. 3	3
(Two Gallons.)	

Form BB. } No..... { .....
Bottler.

EXPORT LABEL.

FERMENTED LIQUOR IN BOTTLES FOR EXPORT.

Under act of Congress, June 18, 1890.

[For instructions relative to the affixing of the above-prescribed label, see article 13.]

ART. 11. After having obtained the necessary export labels (BB), the bottler may on the arrival of the liquor on his premises, either in the original packages or by pipe-line or conduit, proceed to bottle his liquor, at such times, not exceeding forty-eight hours after its arrival, and in such quantities as may suit his convenience. But a memorandum must be made and preserved by the bottler of *each lot bottled for export*, showing:

(1) The quantity received each day in original packages, and the quantity received by pipe-line or conduit.

(2) The name of the brewer.

(3) If received in original packages, the number and size of the packages and the serial number and denomination of the export stamps, Form B, attached to the packages.

(4) The date when packages were tapped and pieces of export stamps removed.

(5) The number and size of the bottles into which the liquor is withdrawn, and

(6) The number of cases and contents of each, after the bottled liquor has been placed therein, and the serial numbers of the export labels (BB) affixed to the cases.

ART. 12. In drawing the liquor from the original packages the bottler will first tap each package by driving through the brewers' export stamp, B, "*the faucet through which the liquor is to be withdrawn, or an air faucet of equal size.*" The bottling of such liquor must be completed within forty-eight hours from the time the packages are tapped, and that portion of the export stamp, Form B, showing the serial number of the label and the denomination thereof not canceled or destroyed must be detached from the packages by the bottler, and forwarded to the collector of the district, as hereinafter provided for, care being taken to keep the stamps of each lot separate.

As each lot of liquor so received must be accounted for, great care should also be used to keep each lot separate and apart from other liquor received on the premises, and any failure or neglect in this matter, or in respect to any other requirement of these regulations, will render the brewer liable under his bond, Form A.

ART. 13. When bottled as above prescribed the liquor must, within twenty-four hours, be cased for export and the cases closed and securely fastened, and each case must have affixed thereto the export label (BB) with the requisite number of coupons showing the quantity of liquor, in gallons, contained in each case.

Such labels must be securely pasted to the cases, *and must be affixed to the cases in serial order*, commencing with the lowest number for the first case, and continuing in like order.

ART. 14. Before affixing the export labels, BB, the bottler will ascertain, as nearly as practicable, the exact quantity of liquor contained in each case ; and where a case is found to contain a certain number of gallons and a fractional part of a gallon, such fractional part of a gallon, *if less than one-half*, will be excluded from the quantity represented by the export label ; otherwise the fraction will be treated as a *whole gallon* and will be labeled accordingly. Discrepancies thus arising between the quantity actually contained in each case and the quantity represented by the label attached to the case will be adjusted in the bottler's monthly statement (Declaration Form CC), as prescribed in article 19.

ART. 15. As often as the duties of his office will permit, and at least once every week, the collector will detail one or more of his deputies to visit each bottling establishment in his district where fermented liquor is being bottled under bond for export, and to make such inspection of the stock of liquors on the premises (both in original packages and in export cases), and as to the methods employed by each bottler in bottling, casing, and marking his liquor for export, as will satisfy the officer that the business is being carried on in strict conformity with the law and regulations.

The deputy will carefully inspect the export stamps (B) attached to all original packages found on the premises to see that the same are properly affixed and have not been re-used. He will also see that all cases containing liquor for export are properly labeled, and he will open and examine the contents of one or more such cases to satisfy himself that the quantity therein contained corresponds with the quantity as represented by the export labels affixed.

ART. 16. Should the officer discover any evidence of fraudulent practice, or any irregularity in the conduct of the bottler, or the brewer from whom the liquor was received, he will at once report the case to the collector and he will note the fact in his certificate to be appended to the bottler's declaration, Form CC (articles 19–21).

BREWER AND BOTTLER TO FILE DECLARATION.

ART. 17. On the first day of each month, or within five days thereafter, every brewer who has removed fermented liquor from his brewery, as hereinbefore authorized, and every bottler who has received any portion of the liquor so removed, will file with the collector of the district a declaration in duplicate, under oath, as to all liquor so removed or received during the preceding month.

ART. 18. In the case of a brewer, the declaration will be in the following form:

Form C. } *Declaration of Brewer.* { Fermented Liquor For Export.

STATE OF ——— } *ss:*
—— *Collection District,*

———, being first duly sworn, deposes and says that the following described fermented liquor produced by him at his brewery situated at ———, in said district, was on the dates below specified removed from the said brewery premises for exportation, free of tax, to wit:

Removed for direct exportation.

Date.	Description of packages.		Serial numbers export stamps, Form B.
	Number and size of packages.	Gallons.	

Removed to bottling establishment.

Date.	Description of packages.			By pipe-line or conduit, gallons.	Name of bottler and district.
	Serial numbers export stamps.	Number and size of packages.	Gallons.		

And affiant further declares that the foregoing statements contain a full and true description of all liquor removed from said brewery premises without payment of tax during the month above named; that the export stamps above specified were of a denomination corresponding to the size of the package to which they were affixed, and had not been previously used, and that all requirements of law, and the regulations of the Treasury Department, respecting said liquor have been fully and faithfully complied with, and that the entire quantity of liquor so removed from his brewery premises is truly intended for exportation.

———, *Brewer.*

Sworn and subscribed to before me this —— day of ———, 189—.

———,
Deputy Collector.

ART. 19. In case of a bottler the declaration will be in the following form:

Form CC. } *Declaration of Bottler.* { Fermented Liquor For Export.

STATE OF ——— } *ss:*
—— *Collection District,*

———, being duly sworn, deposes and says that the following described fermented liquor, manufactured by ——— ———, brewer,

in the ——— collection district of ———, was duly received by affiant at his bottling establishment, located at ———, in this district, on the dates below specified, and that the subjoined statement contains a full and true description of all liquor received on his said premises, free of tax, during the month named, to wit:

Date.	Description of packages. Serial Nos. of export stamps, Form B.	No. and size of pckgs.	Galls.	By pipe-line or conduit, galls.	Total No. galls.
(1)	(2)	(3)	(4)	(5)	(6)
*Jan. 1, 1890....	601 to 625	25 hds.	1,575	0	1,575
Jan. 2, 1890....				620	620
Total received during the month					2,195
Quantity shown by export labels BB, in excess of above quantity (per column 6 of statement below)					4
Total					2,199

And affiant further declares that the following statement is a full and true account of all liquor received as above stated and bottled during the period named; that said liquor is truly intended for export and that all requirements of law and regulations respecting said liquor, and as to the bottling, casing, and labeling the same for export, have been fully complied with; and that the inclosed fragments of export stamps are pieces of the identical stamps removed from the original packages containing said liquor.

Date.	Serial Nos. of export labels BB.	Description of cases. No. of cases.	Contents per case, galls.	Total, galls.	Excess over quantity per original package.	Excess of original pakgs. over quantity per export label.
(1)	(2)	(2)	(4)	(5)	(6)	(7)
*Jan. 1, 1890....	1 to 131	131	12	1,572		3
Jan. 2, 1890....	132 to 235	104	6	624	4	
Total for month				2,196		
Quantity of original packages in excess of above quantity (per column 7)				3		
Total				2,199		

———, ———.
Bottler.

Subscribed and sworn to before me this —— day of ——, 189 .

———, ———.
Deputy Collector.

ART. 20. In preparing the foregoing declaration (Form CC), each day's transaction must be reported separately in the columns prepared

*Dates and amounts here given are to illustrate method of reporting and accounting for liquor received and bottled for export.

for that purpose, and in such a way that each case containing the liquor bottled that day may be fully identified as to serial number and exact contents thereof, and as containing the liquor bottled on that particular day. Where such cases, or any portion thereof, belonging to one lot contain a like quantity, the same may, however, be reported on one line as above shown; *provided*, always, the serial numbers on such cases *run in unbroken consecutive order.*

ART. 21. After the declaration of the bottler has been filed, the deputy who visited the bottling premises during the month as required in article 15, and under whose supervision the liquor was conveyed to premises by pipe-line or conduit, will indorse upon said declaration his certificate in the following form:

—— DISTRICT OF ———
———, ———, 189 .

I hereby certify that on the —— days of ——, 189 , I visited the bottling premises described in the annexed declaration, and carefully examined into the methods of the bottler and his employés in receiving, bottling, casing, and labeling fermented liquor for export, and that from the examination thus made I am satisfied that the business carried on by said bottler is in strict conformity with all requirements of law and regulations, except as to the following [here report any fraud or irregularity discovered], and I further certify that the liquor specified in the annexed declaration as received on the bottling premises by pipe-line or conduit was conveyed to said premises under my supervision on the dates stated, and that the quantity so specified is correct.

——— ———,
Deputy Collector.

ART. 22. On receipt of the foregoing declaration and accompanying certificate of the deputy, the same will be compared with the brewer's declaration (Form C), as to liquor removed to the bottler's premises during the period named, and if found to agree therewith, the collector will, after the export stamps furnished with the bottler's declaration have been verified by examination and count, append to the original declaration his certificate in the following form, and transmit the same to the Commissioner of Internal Revenue:

—— DISTRICT OF ———,
———, ———, 189 .

I hereby certify that I have carefully examined the annexed declaration of ——— ———, and believe the statements therein contained to be true and to have been made in good faith; that the fragments of all export stamps, Form B, therein referred to have been received, examined, and verified by actual count at this office, and found to be genuine and

of the number and denomination represented, and that all such fragments have been totally destroyed.

_____, _____,
Collector.

When the liquor is bottled in a district other than the one in which it was produced, the foregoing certificate will also be indorsed on the DUPLICATE *declaration, Form CC, and such duplicate forwarded to the collector of the district in which the brewery is situated.*

Upon the receipt of the brewer's declaration, the collector will, if satisfied with the statements therein made (and in lieu of the certificate above prescribed), indorse his approval thereon, and forward the same to the Commissioner of Internal Revenue.

IV.

ENTRY OF FERMENTED LIQUOR FOR EXPORT.

ART. 23. Where fermented liquor is to be exported either in the original packages, or when bottled for that purpose, the same may be entered for export by the owner thereof (or by his agent when duly authorized as provided in article 25) by either of the following-named methods:

(1) *For direct exportation.*—In such cases the article may be entered at any outward port for immediate exportation to a foreign port, or at any frontier port when the article is to be exported to adjacent foreign territory.

(2) *For transshipment for export.*—In such cases the article may be entered either at an outward port, or at an interior port, for transshipment to some other port from which the exporting vessel or car is to clear for a foreign country.

(3) *For exportation through a frontier port in sealed cars over bonded routes.*—In such cases the article may be entered at any port from which such cars clear for export, and, where the locks and seals upon the cars are found intact no reinspection of the article at the frontier port will be required.

ART. 24. In either of the foregoing named cases, the exporter, either in person or through a duly-authorized agent (article 25), must at least six hours prior to shipment for export file with the collector of customs at the port from which the shipment is made an export entry in the following form:

Form D, Part 1. } *Export Entry.* { Fermented Liquor For Export.

[To be filed in duplicate when goods are to be transshipped.]

PORT OF ———, ——— —, 189 .

Entry of fermented liquor intended to be exported by me [or us, as the case may be] to ——— [here name the foreign port], by the way of ——— [here name domestic port if article is to be transshipped for export] by the ——— [here name vessel or car], now lying at ———.

Name of article.	Serial numbers of export stamps or labels.*	No. of cases or packages.	Contents of each case or package, galls.	Total, galls.	Name and district of manufacturer or bottler.†

And I do solemnly, sincerely, and truly swear that the article described in the foregoing entry is truly intended to be exported as therein stated, and not to be brought back or relanded within the limits of the United States. And I do further swear that the kind, quantity, and value of said merchandise as stated in said entry are true and correct.

——— ———,
Exporter.‡

Subscribed and sworn to before me this —— day of ——, 189 .
[SEAL.] ——— ———.

The foregoing affidavit must, in every case, be executed before a collector of customs or other officer authorized to administer oaths and having a seal.

ART. 25. Should the exporter reside in a place other than the one from which the liquor is to be exported, the foregoing entry and oath may be executed and signed by an agent, provided such agent has personal knowledge of the facts mentioned therein, on filing with the collector of customs a satisfactory power of attorney, duly executed by said exporter, authorizing the said agent to transact such business in his behalf. When such power of attorney has once been filed, the same will be deemed sufficient to authorize the execution of said forms at any time thereafter until notice of its revocation has been filed with said officer, or until he shall have reason to believe that the exporter has ceased to employ said agent in such capacity. Whenever an affidavit

* The serial numbers of the export stamps or labels affixed to the cases of each lot containing a like quantity should be here given, and in consecutive order.

† In case of bottled beer the date of bottling should also be here stated.

‡ In case the exporter is a firm, this affidavit will be signed by a member of the firm cognizant of the facts, and the words "member of firm of ——— ———" [here insert name of firm] will immediately precede the word "exporter."

shall be made on behalf of an exporter by his duly-authorized agent, or for any business firm by a partner thereof, the fact of such authority or partnership must be clearly stated therein.

In addition to the foregoing entry, the exporter will, before the vessel or car upon which the liquor is laden has departed for the foreign port or port of transshipment, file with the collector of customs with whom such entry is filed a bill of lading covering such liquor, the validity of which is to be certified to by the collector in his certificate of exportation (Form E). In cases of transshipment the exporter will also file with the collector at the port of transshipment a like bill of lading conditioned for the delivery of the goods at a foreign port, unless a *through* bill of lading shall have been lodged with the collector at the port where the export entry is filed.

[For shipment through frontier ports in sealed cars, see article 31.]

ART. 26. Upon the receipt of the entry (Form D), duly executed, the collector or his deputy will issue the following order for the inspection and lading of the article for exportation:

Form D. Part 2. } *Order for examination and shipment.*

No. ——. PORT OF ———, ———, 189—.

TO THE SURVEYOR: You will direct the proper officer to examine and ascertain the quantity, marks, and proper description of the merchandise described in the annexed entry, to destroy all export stamps or labels found thereon, and to superintend the lading of such merchandise on board the within-named vessel, and make due return to this office.

——— ———,
Collector.

To this order the surveyor will append his order, as follows:

Inspector ——— ——— will execute the foregoing order.

——— ———,
Surveyor.

ART. 27. In making the inspection ordered the officer will carefully examine the cases or packages to be laden and satisfy himself that the same contain the article as described in the entry, and he will, before destroying the export stamps or labels affixed to the packages or cases, verify the same by serial number and denomination. If upon examination it appears that the cases have been opened or otherwise tampered with, or that the serial number or quantity represented by any export stamp or label has been changed, or if the size of any of the cases indicates a less quantity of liquor than is represented by the stamp or label thereon, or if from any cause the officer has reason to suspect

that the cases or contents are not such as are specified in the entry and represented by the stamps or labels affixed thereto, he will note the fact on his return of inspection. If evidence of fraud is obtained in any such case, the article so offered for inspection will be seized and the case reported to the United States district attorney for prosecution.

ART. 28. After the inspection of the article has been completed and the article laden on board the exporting vessel, the inspector will append to the exporter's entry his report in the following form and return the entry to the collector:

Form D, Part 3. } PORT OF ——— ———, 189—.

I hereby certify that the articles described in the within entry have been duly inspected by me and found to agree in all respects with the articles therein described, except as to the following [here report discrepancy, if any]; that export stamps or labels of the serial numbers and denominations specified in said entry were affixed to the packages or cases containing said articles and have been totally destroyed by me, and that the said articles were in my presence laden on board the ——— for exportation to ———.

——— ———,
Inspector.

ART. 29. After the articles named in the exporter's entry have been duly inspected, laden, and cleared, and in case of transshipment, upon the receipt of the certificate of transshipment (articles 34–35), the collector of customs with whom the entry is filed will issue his certificate in duplicate in the following form, one copy of which will be forwarded to the Commissioner of Internal Revenue, and one copy to the collector of the district in which the liquor was manufactured as shown by the exporter's entry:

Form E. } *Certificate of Exportation.* { Fermented Liquor For Export.

OFFICE OF COLLECTOR OF CUSTOMS,
Port of ——— ——— —, 189 .

I hereby certify that, on the ——— day of ———, 189 , the following-described merchandise was duly laden on board the ———, whereof ——— ——— is master, in pursuance of order No. ———, heretofore issued from this office, and that said merchandise was duly entered on the outward manifest of said vessel, and that said vessel and cargo were cleared from this port* on the ——— day of ———, 189 , for the port of ———, and that the export stamps or labels covering said mer-

*In case of transshipment of the article at another port, the certificate will be here modified to meet the requirements of the case.

chandise, and below specified, were canceled or destroyed by the inspector pursuant to said order:

Name of article.	Serial Nos. of exports stamps or labels.	No. of cases or packages.	Contents of each case or package, galls.	Total, galls.	Name and district of manufacturer or bottler.

And I do further certify that a proper export entry and bill of lading covering the above-described merchandise have been filed in this office by ——— ———.

Witness my hand and official seal this ——— day of ———, 189 .

[SEAL.]

———— ————,
Collector of Customs.

ART. 30. In case the articles described in the exporter's entry have been omitted from the outward manifest of the exporter's vessel or car, the exporter may perfect his proof of exportation by filing with the collector of customs with whom the entry is filed proof satisfactory to that officer of landing of the articles in a foreign country, and in the form prescribed in customs regulations for the cancellation of bonds for the exportation of imported merchandise. Upon the receipt of such proof the collector will modify his certificate to meet the requirements of the case, and will note on such certificate that satisfactory proof of landing of the articles in a foreign country has been filed in his office.

V.

EXPORTATION FROM A PORT OF ENTRY THROUGH ANOTHER PORT.

ART. 31. When the articles are entered at any port for exportation through another port, the exporter will state in his entry, Form D, the route or routes over which the articles are to be transported; and in case of shipment through frontier ports, in sealed cars, the exporter thereof may, at the time of entry, apply to the collector at the port where such entry is made to have the cars containing the goods properly locked and sealed, as provided in cases of transportation of imported merchandise in bond. In case of shipment in sealed cars a transportation manifest must be filed, as in the case of transportation of imported merchandise, and also a *through* bill of lading covering the merchandise to a foreign port.

ART. 32. Upon the receipt of the entry in either of the foregoing cases, and after the merchandise has been duly inspected and laden, the collector will transmit one copy of said entry, without delay, to

the collector of customs of the port at which the merchandise is to be transshipped, together with a copy of the transportation manifest, in case of shipment in sealed cars. He will also note upon the entry, so transmitted, whether a *through* bill of lading has been filed in his office.

ART. 33. Upon the receipt of such entry the collector at the port of transshipment will direct the proper officer to carefully examine the merchandise upon its arrival, and ascertain that the same agrees in all respects with the entry, and to superintend the lading of the goods on board the vessel or other conveyance by which the same are to be exported, or, in case the merchandise is shipped in sealed cars, to carefully examine the locks, seals, and tags with which the cars are secured. If the inspector finds that the fastenings of the cars have not been tampered with, or [in case the seals are not intact] that the contents of the cars have not been disturbed, the collector will allow the cars to proceed to their destination without opening the same.

If, however, the locks and seals *are not found intact*, and the inspecting officer has reason to believe that the contents of the cars have been tampered with, the collector will take the merchandise into his custody and report the facts forthwith to the Secretary of the Treasury, and also notify the collector at the port of departure.

ART. 34. In case of exportation *otherwise than in sealed cars*, and if the merchandise inspected is found to agree with that specified in the entry, the collector will, after the goods have been duly laden and cleared, append to the entry his certificate in the following form:

Form D, Part 4. } *Certificate of transshipment and exportation.*

PORT OF ———, ——— —, 18—.

I hereby certify that the within described merchandise was brought into this port by ——— ———, on the —— day of ———, 189—, and that the same has been carefully inspected and found to be without change or diminution; except as to the following [here state any discrepancy reported by the inspector]; that said merchandise was duly laden on board the ——— for exportation to ———; that said merchandise was duly entered on the outward manifest of said vessel and [unless a through bill of lading has been filed with the collector from whom the export entry was received] a proper bill of lading has been filed in this office; and that said vessel and cargo were cleared from this port on the ——— day of ———, 189 , for the port of ———.

[SEAL.] ——— ———,
Collector of Customs.

To ——— ———,
Collector of Customs, Port of ———.

Unless a *through* bill of lading has been filed with the collector forwarding the export entry, the proper bill of lading must be filed with the collector at the port of transshipment.

ART. 35. In case of exportation in *sealed cars*, and the locks, seals, and tags upon the cars are found intact (article 33), the collector will, in lieu of the foregoing certificate, append to the entry, or transportation manifest, and under seal, the following certificate:

PORT OF ———, ———, 189 .

I hereby certify that the within-named car, with contents, arrived at this port on the ——— day of ———, 18—, in good condition, and that upon examination the same was found to be properly locked and sealed, and that said car, with contents, cleared from this port for the port of ——— on the ——— day of ———, 18—, in like good condition and properly locked and sealed.

———, *Collector*. [SEAL.]

ART. 36. After having issued his certificate in either of the foregoing cases, the collector will return the entry and transportation manifest, if filed, to the collector at the port from which the merchandise was originally shipped. Whereupon the collector of that port will, if the other papers in the case be satisfactory, issue his certificate (Form E), changed to meet the requirements of the case, as required in article 29.

VI.

COLLATERAL PROOF.

ART. 37. If from any cause the proofs required in the foregoing regulations can not be furnished, or any of the requirements of the regulations can not be complied with, application for relief may be made to the Commissioner of Internal Revenue through the collector having cognizance of the facts. The application in such cases must be made under oath, and must fully and clearly set forth in what particulars the regulations have not been complied with, and the reasons therefor, and must be accompanied by a certificate of the officer transmitting the same, as to his knowledge of the alleged facts and as to the propriety of granting the relief asked for. The evidence thus submitted will be examined by the Commissioner of Internal Revenue, and, if the facts warrant, relief will be granted.

VII.

BONDED ACCOUNT OF FERMENTED LIQUOR REMOVED FOR EXPORTATION.

ART. 38. As the liability of the brewer under his bond, Form A (article 1), involves the accounting of both the liquor removed for export and the export stamps (Form B) issued to him, the following accounts will be kept with each brewer, and a monthly statement thereof will be furnished to the Commissioner of Internal Revenue by the collector of the district:

EXPORT-STAMP ACCOUNT.

In this account the brewer will be charged from time to time with—

(*a*) The representative value of the export stamps (Form B) issued to him (article 3), and be credited with the representative value of such stamps;

(*b*) Affixed to original packages cleared for export and destroyed by customs inspector (article 28);

(*c*) Detached from original packages and accounted for by bottler (article 17); and

(*d*) Unused and returned to the collector by whom the same were issued.

FERMENTED-LIQUOR ACCOUNT.

ART. 39. In this account the brewer will be charged—

(*a*) With quantity removed from brewery in original packages for direct exportation (article 18).

(*b*) With quantity removed to a bottling establishment in original packages (article 18).

(*c*) With quantity removed to a bottling establishment by pipe-line or conduit (article 18).

This account will be credited:

(*d*) With quantity exported in original packages as per certificate of exportation, Form E (article 29).

(*e*) With quantity bottled and exported as per certificate of exportation, Form E (article 29).

(*f*) With quantity unaccounted for and *tax paid* (article 40).

Appropriate forms to be used in the keeping of the foregoing accounts will be furnished to collectors, and the accounts will be so arranged as to show in detail and in aggregate the several items above referred to, as also the outstanding liability of the brewer as to *each lot* removed for export.

To facilitate the keeping of this account, collectors will on the receipt of the certificate of exportation, Form E (article 29), note on the brewer's declaration, Form C (article 18), in case of exportation in original packages, or on the bottler's declaration, Form CC (article 19), in case of exportation in bottles, the quantity exported as shown by said certificate. On payment of tax on deficiencies (liquor not exported and accounted for within the time specified in the brewer's bond, Form A), the collector will likewise credit the declaration, Form C, with the quantity so tax paid, as also the bottler's declaration, Form CC, in case of bottled liquor. The credits so noted on the declarations

should in all cases be opposite the items entitled to the credit as shown by the serial numbers of stamps or labels, etc., and in the columns prepared for that purpose.

ART. 40. In case any liquor removed for export is not properly accounted for within the time conditioned in the brewer's bond, or in any case where the tax becomes due on the liquor removed for export, by reason of any failure or irregularity in connection with the removal, bottling, casing, or exporting such liquor, the collector will, unless otherwise instructed by the Commissioner of Internal Revenue, report on his list, Form 23, for assessment the amount ascertained to be due.

ART. 41. Blank forms, A, B, BB, C, CC, D, and E, herein prescribed, will be furnished by the Department on requisition through the proper collector, and must be used in every case.

The foregoing regulations will take effect from and after January 1, 1891.

JOHN W. MASON,
Commissioner.

Approved:
WILLIAM WINDOM,
Secretary.

[Series 7, No. 10—Supplement No. 1.]

UNITED STATES INTERNAL REVENUE.

REGULATIONS

GOVERNING THE

EXPORTATION OF FERMENTED LIQUOR IN BOND WITHOUT PAYMENT OF TAX.

JANUARY 12, 1892.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1892.

TREASURY DEPARTMENT
Document No. 1492.
Internal Revenue.

55277

REGULATIONS

GOVERNING THE

EXPORTATION OF FERMENTED LIQUOR IN BOND WITHOUT PAYMENT OF TAX.

TREASURY DEPARTMENT,
Office Internal Revenue,
January 12, 1892.

In order that unnecessary delays may be avoided in the matter of issuing certificates of exportation, Form E, for fermented liquor removed in bond for export, article 30, of Department Regulations (Series 7, No. 10) issued October 23, 1890, is hereby amended, as follows:

[ART. 30.] In case the articles described in the exporter's entry have been omitted from the outward manifest of the export vessel (or car), or in case of noninspection of the articles at a port of transshipment, the exporter may perfect his proofs of exportation by filing with the collector of customs evidence satisfactory to that officer that the articles were actually exported as claimed.

Such evidence may consist of a foreign landing certificate, in the form prescribed in customs regulations for the cancellation of bonds given for the exportation of *imported* merchandise, or, in lieu thereof, an affidavit of the owner, or agent, of the export vessel, setting forth the fact that the articles so claimed to have been exported and described in the bill of lading were actually shipped on board said vessel (or car) to the foreign port designated in the exporter's entry.

If the proof so filed is satisfactory to the collector, he will at once issue a modified certificate of exportation, Form E, and note thereon that such proof has been filed in his office.

As the time conditioned in the Brewer's Export Bond for the production of proof of exportation of fermented liquor removed thereunder is limited to *ninety* days, collectors of customs will see that no unnecessary delay occurs in furnishing their certificates, Form E, where the proofs of exportation are otherwise complete.

JOHN W. MASON,
Commissioner.

Approved:
O. L. SPAULDING,
Acting Secretary.

/11

SERIES 7, No. 11.—REVISED.
UNITED STATES INTERNAL REVENUE.

UNITED STATES

INTERNAL-REVENUE GAUGERS' MANUAL,

EMBRACING

REGULATIONS AND INSTRUCTIONS, AND TABLES,

PRESCRIBED BY THE

COMMISSIONER OF INTERNAL REVENUE

BY VIRTUE OF

Section 3249 U. S. Revised Statutes.

AUGUST 1, 1888.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1888.

173 I R——1

TREASURY DEPARTMENT,
Document No. 1117.
Internal Revenue.

55277

REGULATIONS AND INSTRUCTIONS

FOR

UNITED STATES INTERNAL-REVENUE GAUGERS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, August 1, 1888.

APPOINTMENT OF INTERNAL-REVENUE GAUGERS.

Section 3156 U. S. Revised Statutes confers the power of appointing United States internal-revenue gaugers upon the Secretary of the Treasury, and the act of August 15, 1876 (section 3153 a, "Compilation of 1879"), empowers him, upon the recommendation of the Commissioner of Internal Revenue, to impose the duties of storekeeper and gauger upon one officer where the amount of spirits produced at the distillery to which such officer may be assigned is not sufficient, in the judgment of the Commissioner, to warrant the employment of two officers to perform the separate duties of storekeeper and gauger.

Persons holding commissions as "storekeeper and gauger" will comply strictly with the instructions contained herein for the government of gaugers, while exercising the functions pertaining to that office.

Whenever it becomes impracticable for collectors to secure the services of persons who will accept the office of gauger, owing to the inadequacy of the compensation, they

will be permitted to nominate for appointment as gaugers one or more of their deputies, who will perform the work without extra compensation or fees, but actual traveling expenses incurred for gauging will be allowed.

A deputy collector should not, however, serve as gauger while acting as collector, or when deputed for the sale of stamps, or engaged in any other duty incompatible with that of gauger.

FOR WHAT PURPOSE APPOINTED.

Under the internal-revenue system of the United States, distilled spirits are made largely the source of income to the Government, secured by laying a tax upon each proof-gallon produced when the spirits are at or above proof, and each wine-gallon when the spirits are below proof. United States internal-revenue gaugers are appointed to correctly determine the number of such gallons of spirits produced and drawn into casks or packages to be put upon the market, and to make record of the same by the required marks, brands, and stamps upon the casks or packages, and upon required reports.

GAUGERS' FEES AND EXPENSES.

Section 3157, Revised Statutes, provides that "gaugers shall be entitled to receive such fees, to be determined by the quantity gauged, as may be prescribed by the Commissioner of Internal Revenue; and said fees, together with their actual and necessary traveling expenses, shall be verified by their oaths, and shall be paid by the United States monthly."

In accordance with this provision, the following fees per wine-gallon have been prescribed, to be computed as hereinafter set forth:

FEES.

For the first twenty gallons each day, five cents per gallon.

For the next forty gallons each day, two cents per gallon.

For the next two hundred and forty gallons each day, one-half of one cent per gallon.

For the next seven hundred gallons each day, one-seventh of one cent per gallon.

All over one thousand gallons each day, one-tenth of one cent per gallon, subject to the limitation of five dollars per day.

(See Table No. 9, herein.)

The above rates apply to all spirits entered into and withdrawn from warehouse; to fruit brandy; to spirits gauged for rectifiers; and to gauging done under special orders of this office.

The compensation of a gauger is by law limited to "five dollars per day while actually employed." The number of wine gallons gauged by him during the month will be divided by the number of days *employed*, and the prescribed per diem fees will be allowed for the daily average amount so found to have been gauged, subject to the limitation of five dollars per day.

A gauger will be considered as being on duty and *employed* when he is necessarily traveling on official duty, when on special duty by order of this office, and when under regular assignment and present for duty at one or more rectifying establishments or grain or molasses distilleries while in operation. When a distillery is under regular suspension the withdrawals from its warehouse should be in charge of a gauger under regular assignment to other duty. A gauger whose sole duty is to superintend the withdrawals of spirits from warehouses of one or more distilleries during regular suspension, will be allowed for the days only on which withdrawals are made and the days necessarily employed in traveling in the performance of such duty. A gauger will not be allowed pay for any day during which he was not present at his place of assignment. When no gauging is done on any day for which pay is claimed, the gauger must state in his itemized statement,

inside of the account, how he was employed on such day, and before approving such account the collector must satisfy himself that the gauger is, by reason of assignment and presence for duty, entitled to pay for each day so charged.

A gauger who is necessarily employed a considerable portion of his time in traveling, while in the performance of his duties, and whose fees, at the rates herein prescribed, are thus, in the judgment of the collector, inadequate to reasonably compensate him for the service performed, may be granted a special rate of fees upon a full statement by the collector of all the facts in each case, showing why special action thereon is deemed necessary and just. This special certificate and recommendation of the collector must accompany each account in which the above fees are thus deemed inadequate. It is enjoined upon collectors that they see that gaugers so assigned perform the gauging in their respective divisions in the shortest practicable time, and at as little expense as possible.

EXPENSES.

The actual and necessary traveling expenses incurred by a gauger in the performance of official duty will be allowed. He must make an itemized statement, inside of his account, of all expenses incurred on *each day*, stating the amount and character of each item separately. He must state where he starts from *each day*, and name the distillery or distilleries and rectifying establishments visited. The distance between any two or more places visited on the same day must be given, and also the whole distance traveled on each day. When both public and private conveyances are used on the same day, the distances traveled by each should be stated. Every item of expense exceeding one dollar, except for travel by public conveyance, must be attended by its proper voucher. Hotel bills *must state the time and rate per diem.*

If a gauger uses his own horse under the saddle, or his

own horse and buggy, he may be allowed to charge for the former not over one dollar per day, and for the latter, one dollar and fifty cents per day, for the days actually and necessarily used when in the performance of his duties, not within the limits of a city or town.

In all cases, when practicable, public conveyance should be used. When omnibus or hack fare is charged the distance traveled by such conveyance must be stated, otherwise it will not be allowed.

Where a gauger is assigned to but one place of duty, or to more than one, but all located within the limits of the same city or town, any charges for traveling expenses must be supported by a special certificate of the collector that such expenses were necessary. In other assignments, embracing two or more grain distilleries or rectifying establishments, the gauger is expected to charge only from the one where his services are mostly needed.

When it is necessary for a gauger to hire a horse or a horse and buggy for traveling on official duty, he will be expected to do so upon the most favorable terms for the United States, and if obliged to engage it for a number of days in the month it should be at a reduced rate. Should a gauger disregard this injunction the amount charged will be reduced to what is considered a reasonable rate.

Gaugers will be furnished by the collector with official envelopes in sufficient quantities to enable them to transmit their reports, without expense for postage.

Each internal-revenue gauger is required to make up his monthly account of fees and expenses *in duplicate*, and forward the same to the collector for his approval within five days after the expiration of the month in which the fees were earned and the expenses incurred, and accounts delayed beyond that time should be accompanied by an explanation of the cause of the delay. The original, with the necessary vouchers for expenses attached, should be forwarded to the Commissioner within ten days after the ex-

piration of the month for which it is made, and the duplicate retained by the collector in his office.

Gaugers should not assign their accounts, as the drafts in payment thereof will, in all cases, be made payable to the gaugers and sent to the care of the collector, without regard to any assignments that may be made.

No internal-revenue gauger shall charge or receive any sum of money, fee, or compensation of any kind whatever, other than the fee prescribed by the Commissioner of Internal Revenue and paid by the United States, for any cause whatever connected with the performance of his official duties as a United States internal-revenue gauger, under the penalty of removal from office.

The Commissioner of Internal Revenue is authorized by law to prescribe the fees for gauging, and the rules and regulations relative thereto, and he reserves to himself the right, after any gauger has rendered his account to this office, to investigate it and decide what fees are to be paid for work performed, and what expenses allowed, as shown therein, whenever such special decision is, in his judgment, just and expedient—subject to the limitations prescribed by law.

BEFORE ASSIGNMENT TO DUTY.

Before any United States internal-revenue gauger can be assigned to duty he must "take an oath faithfully to perform his duties, and shall give bond, with one or more sureties, satisfactory to the Commissioner of Internal Revenue, for the faithful discharge of the duties assigned to him by law or regulations; and the penal sum of said bond shall not be less than five thousand dollars." (See section 3156 United States Revised Statutes.)

UNDER WHOSE DIRECTION SERVICES TO BE RENDERED.

Section 3156 directs that "the duties of every such gauger shall be performed under the supervision and direction of

the collector of the district to which he may be assigned, or of the collector in charge of exports at any port of entry to which he may be assigned." The collector may assign gaugers to duty at any place within his district, or transfer them from one place of duty to another within the district. The special attention of collectors is directed to the importance of exercising a strict surveillance of the gaugers who are thus placed under their supervision, and of requiring of them a full compliance with the law and regulations in the discharge of their duties.

Under the provisions of the act of August 15, 1876 (section 3163, a "Compilation of 1879") the Commissioner of Internal Revenue is empowered to suspend or transfer gaugers, and in the exercise of this authority he will transfer gaugers from one district to another when, in his judgment, such course will best subserve the interests of the service.

UNITED STATES INTERNAL-REVENUE GAUGERS TO FOLLOW LAW AND REGULATIONS, ETC.

Section 3249, United States Revised Statutes, authorizes the Commissioner of Internal Revenue to "prescribe rules and regulations to secure a uniform and correct system of inspection, weighing, marking, and gauging of spirits." The condition of the bond required of gaugers is that they will faithfully discharge the duties assigned them by law or regulations. Their first efforts after appointment should be to acquire a thorough knowledge of all the requirements of the law and regulations relating to their office. The important bearing of their duties upon the revenue and commercial interests of the country imperatively demands that carefulness and accuracy of execution should be observed at all times. This can only be secured by those appointed to the office of gauger qualifying themselves fully in all the duties pertaining to their position before commencing work.

GAUGING INSTRUMENTS.

Section 3249, Revised Statutes, authorizes the Commissioner of Internal Revenue to prescribe for use such hydrometers, weighing and gauging instruments, or other means for ascertaining the strength and quantity of spirits subject to tax, as he may deem necessary.

STANDARD GAUGING ROD.

The instrument known as the Prime and McKean combination gauging rod is prescribed by the Commissioner for finding the capacity of casks and packages, which instrument must be procured and used by all internal-revenue gaugers, and by all persons holding commissions as storekeeper and gauger.

Applications for the rod, or for any portion thereof, must be addressed to the Commissioner of Internal Revenue, and, at the same time, the price in a money postal order, or certified check, must be forwarded to the *National Metropolitan bank of this city*, payable to the order of that bank. *In no instance must the remittance be sent to this office, or be made payable to the order of the Commissioner.*

The prices of the rods are as follows:

44-inch solid metal rod, complete	$25.00
44-inch solid metal rod, proper	11.00
Fixed caliper	3.75
Sliding caliper	3.25
Mean-diameter scale	5.75
Head slides	1.50
62-inch solid metal rod, complete	27.00
62-inch solid metal rod, proper	12.00
Fixed caliper for 62-inch rod	4.00
Sliding caliper for 62-inch rod	3.50
Mean-diameter scale for 62-inch rod	6.00
Head slides, large	1.75

44-inch German silver rod, proper	$11.00
62-inch German-silver rod, proper	15.00
44-inch wood rod, proper	5.00

No rods, entire, will be sent out except the improved solid metal rods. Portions of the other rods mentioned are shipped only to replace such parts as are worn out or damaged in the service.

WANTAGE ROD.

For determining the wantage, or ullage, in casks, Prime's Patent Wantage Rod is prescribed, the price of which is $3.25.

This instrument must be procured and used by all officers who are required to procure the standard gauging rod, and application and payment for the wantage rod must be made in the same manner as directed in the case of the gauging rod.

HYDROMETERS.

The standard hydrometers, for weighing or determining the proof of distilled spirits, are supplied for the use of internal-revenue gaugers, at the expense of the Government, on the application of collectors, which application should be addressed to the Commissioner of Internal Revenue.

These instruments are necessarily expensive, in consequence of the strict accuracy required in their manufacture, and internal-revenue officers are, therefore, expected to exercise due economy in making requisition for the same, as well as care in their use.

Neither full nor partial sets should be ordered in excess of the immediate demands of the service. Where, however, the needs of the service justify, a limited supply of hydrometer stems and thermometers will be furnished to collectors on requisition, in order that loss by breakage may be replaced without delay.

It is required that report be made to this office immediately upon the issue of any instrument from the stock on

hand, stating to whom the instrument was issued and the occasion of such issue.

Complete sets of hydrometers will not be supplied to districts in excess of the number of qualified gauging officers therein, except that, when deemed necessary, an extra set will be furnished, to be retained in the collector's office, for use in testing the other instruments in the district.

Where an extra set is on hand for such use it will be issued to a gauger requiring the same, on the receipt of a new set, so that the set last received will be constantly retained for use as standard.

When collectors have a standard hydrometer in their office they will cause the Government instruments within a reasonable distance to be tested at stated intervals, and all the sets in the district will be tested as often as once in six months.

Gaugers will be required to make an occasional test of the instruments in their hands by comparing, in spirits of the proper strength, a stem of a lower per cent. with the stem of the next higher per cent., at or between the points where both stems indicate the same per cent.

When requisition is made for sets of hydrometers to replace defective ones, the nature of the defect must be explicitly stated; and also whether the defect is in the stems, the cup, the thermometer, or the case. When extra stems are required, the highest and lowest numbers on each such stem must be stated, in order to secure accuracy in filling the requisition.

Broken hydrometer stems and thermometers will not be returned to this office. If, however, such instruments are found to be incorrect and unbroken, they will be carefully packed and returned by express, first attaching to each instrument a statement showing the nature and extent of its inaccuracy, and where and by whom it was used.

United States internal-revenue gaugers will be held responsible for the careful usage of the hydrometers in their

possession, and any carelessness in handling, resulting in the breakage of stems or other damage, will be noted against them. Upon retiring from office, or upon being transferred to another district, gaugers will turn in the hydrometers to the collector of the district in which they have been assigned, taking his receipt therefor.

Collectors will not approve the final account of a gauger retiring from the service until he has surrendered the Government instruments in his possession.

Any United States internal-revenue gauger using other than the standard instruments will be recommended for dismissal from office, and be held responsible upon his bond.

USE OF THE INSTRUMENTS.

Before entering upon the discharge of their regular duties, gaugers should thoroughly familiarize themselves with the instructions as to the use of the gauging instruments, practice handling the same and reading the indications, in order to acquire quickness and accuracy in their use.

GAUGING ROD.

The capacities of casks are ascertained by three measurements, viz: the head diameter, the bung diameter (a combination of the two producing the mean diameter), and the length.

MEAN DIAMETER.

Prepare the rod for the ascertainment of the mean diameter by first placing the mean-diameter scale upon the rod proper, with the screw attachment toward the head of the rod, and with the manufacturer's stamp on the scale in a line with that on the rod (which latter condition must be observed in adjusting all the parts of the combination rod). The head slide will then be slipped over the point of the rod with the stationary projection pointing upward.

Having thus prepared the rod, the gauger will then seize it with one hand above the mean-diameter scale, and the other hand upon the head-slide, place the point on the inner side of the lower chimb of the cask, close against the head, and bring the projection of the head-slide against the inner side of the upper chimb, holding the rod at an angle of 45 degrees, as shown in the cut, Fig. 1, page of illustrations. He will then hold the head-slide firmly in place, and raise the mean-diameter scale so as to leave a clear space between the bottom of the scale and the top of the head-slide, and while in this position he will cause the rod to describe an arc, observing at the same time the head diameter as shown on the face of the rod immediately above the head-slide. When it is thus seen that the rod is held at such an angle as to indicate the mean diameter of the head, the head-slide will be held firmly in place, and the mean-diameter slide gently moved downward until it rests upon the head-slide, when the gauger will fasten the mean-diameter scale in this position by turning the thumb-screw at the top. It will be seen that the bottom of the scale will thus indicate the same on the rod as the top of the head-slide. The rod will be applied to the stamp head of the cask, in case but one head is measured. The gauger will then remove the head-slide from the rod, and insert the rod into the cask at the bung-hole, the point resting opposite the bung. He will then draw the over-slide up until the lip strikes the under side of the bung stave at the quarter; that is, at a point midway between that part of the bung-hole which is nearest the end of the cask and that part which is nearest the side. (See Fig. 2, page of illustrations.)

In taking this last measurement, the gauger will endeavor to avoid inequalities in the cask, such as a crack where two staves meet, where the point of the rod rests, or where a portion of the inner side of the bung stave is split off by the boring of the bung-hole, etc. Having taken the above measurement, he will then remove the rod from the

cask, carefully retaining the slide in position; raise the rod upward until the bottom of the slide is on a line with the eye; read the figures indicated on the scale at the bottom of the slide in the appropriate column, according to the variety of the cask being gauged; find the same figures in column "A" of the scale, and follow the line *above* the figures, turning the rod to the left to the corresponding line upon the face of the rod, which latter line will indicate the mean diameter, which will be chalked upon the cask.

In case the line in column "A" should fall between the lines on the face of the rod, the line nearest the line in the "A" column will be taken as representing the mean diameter, and if there is a doubt as to which line is the nearest, the under line should be read, except in cases where the over-slide rests at the "double number" in column "B," "C," or "D," as the case may be, when the upper line on the face of the rod should be read if the slide rests at the upper double number, and the lower line if the slide rests at the lower double number.

In order to use the mean-diameter scale intelligently, the gauger should familiarize himself with the principle of its construction, which is based on the rule for the determination of the mean-diameter; that is, multiply the difference between the head and bung diameter by the decimal .55 if the cask is of the first variety, by .63 if of the second variety, and by .70 if of the third variety. (See instructions under the head of "varieties of casks," on page 27). The product being added to the head diameter produces the mean diameter. The "A" column on the scale indicates, in inches and tenths of inches, the distance from the foot of the scale, the first line "1" being one inch from the foot, "1.1" one and one-tenth inch from the foot, and so on.

After the rod has been applied to the cask, as above, the foot of the scale indicates on the rod proper the head diameter of the cask, and the lower part of the over-slide, at the lip, the bung diameter, and thus the difference between the

head and bung diameters is made to appear in the "A" column, at the lower part of the over-slide.

As the figures appearing in the "B," "C," and "D" columns are obtained by multiplying the figures on the same line in the "A" column by the decimals .63, .70, and .55 respectively, retaining but one decimal figure, it follows that the figures appearing in the appropriate column at the foot of the over-slide represent, in inches and tenths of inches, the amount to be added to the head diameter to produce the mean diameter; therefore, by finding in the "A" column the same figures that appear at the foot of the slide in the "B," "C," or "D" column, according to the variety of the cask being gauged, the mean diameter will appear on the face of the rod adjacent to the line above the said figures.

To illustrate, suppose the rod shows the head diameter to be 19 inches, and the bung diameter to be 22 inches, the difference between the two ("3") would appear at the foot of the over-slide, in the "A" column, and "1.9" in the "B," or "2 var." column; the latter figures being obtained thus: $3 \times .63 = 1.89$, or 1.9 as nearly as can be represented by retaining but one decimal figure.

By following the line above "1.9" in the "A" column, 20.9 appears on the face of the rod, being the mean diameter in this instance ($19 + 1.9 = 20.9$).

LENGTH OF CASKS.

The gauger will prepare the rod for finding the lengths by sliding the fixed caliper arm, having the spring, on the head of the rod, observing care to have the spring bolt enter the hole in the rod, so that it will remain stationary, and then slide the movable caliper arm over the point of the rod, so that the arm will be in line with the fixed caliper arm.

He will apply the rod in ascertaining the lengths of casks as follows: Standing at the head of the cask he will support the rod in the middle with the left hand, holding the top of the sliding caliper with the right hand.

He will then place the rod on the cask, in a line with the bung-stave, allowing it to rest on the braces of the caliper arms, the fixed caliper being lightly held against the head of the cask, opposite to where he is standing, by means of the left hand, which should be near the bung-hole.

He will then, with his right hand, move the sliding caliper against the other head of the cask, taking pains to move the caliper with care and gentleness. (See Fig. 3, page of illustrations.)

The length of the cask will be indicated by the figures on the top of the rod, at the inside of the movable arm.

The rod is graduated so as to allow for heads of three-fourths of an inch in thickness, and gaugers are not permitted to make any additional allowance except when especially authorized by the collector; and when so authorized, they will make frequent examination of the heads, by boring and otherwise, in order to determine as to their actual thickness. In all instances where a greater allowance is made for the thickness of the heads than the allowance made by the standard gauging-rod, the gauger will mark on the heads of the casks, in a legible manner, the words, "*Head —— inch thick*," inserting in the blank the actual thickness of the head, in inches and tenths of an inch.

In taking the length of twenty-gallon packages or less, an addition of one-half inch to the caliper measurement will be made, unless the gauger knows that such packages have heads of at least three-fourths of an inch in thickness. Thus, if the caliper shows 19.4 inches the length will be called 19.9 inches.

When packages are used, the capacity of which can not be ascertained by the ordinary method, but by the use only of the rod proper, to determine dimensions, the gauger must ascertain the precise thickness of the materials composing the package, so as to arrive with entire accuracy at the inside measurements, and from these, when obtained,

he must compute the cubic contents of the package in gallons and fractions, if any, of a gallon.

Gaugers will observe the heads of the casks before determining the length, and in case they are convex, or concave, or if the casks have heretofore been used, and the heads rendered thinner at points by the scraping, etc., incident to the required removal of the marks, brands, and stamps, the mean length will be determined by applying the caliper arms to various portions of the heads. The length thus found will be chalked upon the cask. Turning to Table No. 1 hereto appended where the mean diameter, as found, is stated in the upper margin, and the length, as found, is stated in the left-hand margin, there will be found beneath the one and opposite the other the number of wine-gallons which the cask will hold.

WANTAGE ROD.

In case the cask is not full, the wantage will be determined by the use of "Prime's patent wantage rod," as follows:

Before applying the rod care should be observed to see that the cask stands level. The handles of the rod should be grasped by one hand, and separated by the use of the thumb, the index finger pressing against the under side of the lower handle. With the other hand hold the rod proper up against the handle. While in this position the instrument will be inserted into the bung-hole of the cask with the lower lip pressing on the under side of the bung-stave.

The handles will then be pressed firmly towards each other, so that the upper lip will rest on the upper side of the stave. While the lips are thus made to firmly grasp the stave the scale will be moved downward until the flange rests on the overslide, pains being taken to hold the rod plumb during this operation. The scale must not be permitted to drop by its own weight, but be moved to place without jarring the rod or agitating the contents of the cask.

As soon as the flange on the slide rests on the lip of the overslide, as above, the scale will be immediately drawn upward to its former position, and thus held while the lips are unclasped by separating the handles by means of the thumb of the hand which grasps the same.

By reading the wet line in the appropriate scale on the rod, the wantage will be determined. In observing the wantage the graduation nearest the wet-line must be read. When the wet-line is midway between the graduations, the line indicating the greater wantage will be read. When, however, the wet-line indicates that the wantage does not exceed one-fourth gallon, the cask will be marked as full. (See instructions for "Allowance for wantage" on pages 21–23.)

The scale on the rod is graduated for casks having a capacity of 20, 23, 25, 27, 36, 40, 42, 44, 47, and 64 gallons, and should be applied to the various capacities as follows:

The 20-gallon scale will be used when the capacity of the cask is from 18 to 21 gallons, inclusive.

The 23-gallon scale, when the capacity is from 21½ to 23½ gallons.

The 25-gallon scale, when the capacity is from 24 to 25½ gallons.

The 27-gallon scale, when the capacity is from 26 to 29½ gallons.

The 36-gallon scale, when the capacity is from 30 to 37 gallons.

The 40-gallon scale, when the capacity is from 37½ to 41 gallons.

The 42-gallon scale, when the capacity is from 41½ to 43 gallons.

The 44-gallon scale, when the capacity is from 43½ to 45 gallons.

The 47-gallon scale, when the capacity is from 45½ to 49 gallons.

The 64-gallon scale, when the capacity is from 62 to 66 gallons.

In case the capacity of the cask is not such as is provided for above, the number of dry inches in the cask will be determined by observing the point reached by the spirits in the column of "D. inches" and referring to the "Ullage or wantage table" herein—Table No. 2.

To find the ullage of a cask which is less than half full, bring down the scale so that the flange rests upon the lip of the overslide as above, and fasten it in that position by turning the eccentric button on the top of the scale into the adjacent slot. Insert the entire rod into the cask until its foot rests upon the bottom stave, jarring being avoided as before. Then withdraw the rod from the cask, and the line reached by the spirits in the column "W. inches" on the face of the rod will show the depth of the spirits in the cask in inches and tenths of inches. Then bring down the overslide until its upper side rests on the corresponding line in the column of "D. inches." Hold the scale firmly in this position, turn the rod to the column indicating the capacity of the cask being gauged, and the number of gallons in the cask will be indicated at the upper side of the slide. Deduct the number of gallons in the cask from its capacity, and the remainder will be the wantage.

For instance, if the cask has a capacity of 42 gallons, and the wet-line reaches 6.4 inches in the "W. inches" scale, by setting the overslide so that 6.4 is indicated at its upper face in the "D. inches" column, "10" will be found at the upper face in the "42" column, showing that there are 10 gallons in the cask. Deduct this from the capacity, and a wantage of 32 gallons will be shown.

If the gauger is not provided with the standard wantage rod, the wantage will be determined by means of the wantage scale, at the upper end of the combination rod, as follows:

Place the mean diameter scale on the rod so that the end having the lip attachment will be on the line which separates the lineal graduation from the wantage scale, that is, on the upper of the double lines at the commencement of the

wantage graduation, and fasten the scale in this position by turning the screw. The gauger will then insert the head of the rod into the bung-hole, care being observed to have the cask standing level, the bung-hole uppermost, the rod plumb, and not to agitate the contents of the cask, and especially not to insert the rod farther than is absolutely necessary in order to slip the lip under the inner side of the bung-stave. When this is accomplished, the rod must be immediately withdrawn.

The line reached by the spirits in the appropriate column will indicate the wantage, or the quantity required to fill the cask.

Should the capacity of the cask gauged vary so materially from the capacities stated on the rod that it will not show the true wantage, the wantage will be found by aid of Table No. 2, herein.

This will be done by finding the capacity of the cask and the bung-diameter; then finding the dry inches, or number of inches from the inside of the bung-stave to the surface of the liquid in the cask, when, opposite the former two and beneath the latter in the table, will be found the number of gallons wantage.

ALLOWANCE FOR WANTAGE.

United States internal-revenue gaugers are strictly prohibited from making any allowance for wantage in casks of spirits gauged by them where no actual wantage exists.

When casks are not full, only the actual wantage, as determined by the wantage-rod, will be allowed. No provision is made for reporting any fraction of a gallon as wantage except a half; but a wantage of one-half gallon is not to be allowed except when the wantage approaches one-half gallon; that is, unless the wantage is nearer one-half gallon than no wantage.

The same rule applies in reporting wantage greater than one-half gallon, viz, if the wantage is nearer one gallon

than one-half gallon, it will be called one gallon; if three-fourths of a gallon or nearer one-half gallon than one gallon, it will be called a half-gallon.

Gaugers gauging for entry into distillery warehouse, at fruit distilleries whose daily spirit producing capacity exceeds 100 proof-gallons, and at rectifying houses, will decline to brand, mark, or stamp any package of distilled spirits of a capacity less than 63 wine-gallons which has an ullage exceeding one-half of 1 wine-gallon, when the temperature of the spirits is 50 degrees Fahrenheit, or above; or an ullage of over 1 gallon, if the temperature is below 50 degrees Fahrenheit.

No package of 63 gallons capacity and upwards to 126 gallons will be branded, marked, and stamped, if the ullage exceeds 1 gallon when the temperature of the spirits is at 50 degrees Fahrenheit, or above, or if it exceeds 1½ wine-gallons when the temperature is below 50 degrees.

In packages of 126 gallons capacity and upwards, the wantage will be restricted to 2 gallons when the temperature of the spirits is at 50 degrees, or above, and to 3 gallons when the temperature of the spirits is below 50 degrees Fahrenheit.

In case, however, a final package is insufficiently filled, because the distillery cisterns or the rectifying vats are exhausted, the actual wantage thus occurring in such final package will be marked, and reported, and the fact noted on Form 59 or 59½, as the case may be.

Where an aging apparatus approved by this office is used in a distillery warehouse, if it be found to be necessary for the successful or convenient operation of the machine, and if the distiller so desires, an ullage of 1 gallon may be allowed for packages of less than 63 gallons capacity. When such ullage is allowed, gaugers will note on Form 59 as reason therefor that an aging apparatus is employed at that distillery, giving the kind of apparatus used.

WANTAGE IN SMALL PACKAGES AT DISTILLERIES.

When casks or packages, having a capacity not exceeding 20 gallons wine measure, are gauged for entry into distillery warehouse or at fruit distilleries, a wantage of one-half gallon is not to be allowed, except when the wantage reaches one full half-gallon; that is, unless there is actually one full half gallon out of the package.

The same rule will apply as to allowing a wantage of 1 gallon; that is, no wantage in excess of one-half gallon will be allowed unless the actual wantage reaches a full gallon.

When, however, packages of this class are so constructed that their capacity, as ascertained from their dimensions, contains a fraction of a gallon other than one-half, an actual wantage shall be required in such packages equal to such fraction, if it be less than one-half gallon; or, if it exceeds one-half, an actual wantage shall be required equal to the excess of the fraction above one-half gallon before such packages shall be gauged.

In addition to the wantage required in such cases, a further wantage of one-half gallon will be allowed when desired, provided the additional wantage fully equals one-half gallon.

HYDROMETER.

Having determined the capacity of the cask and the wantage, the next step will be to find the true temperature of the spirits by the use of the thermometer attached to the hydrometer cup, and the indication of the strength, or proof, of the spirits as shown by the hydrometer stem with a view of a correction of the volume, or wine-gallons of the spirits in the cask, as well as to determine the true per centum of the proof of the same. To find the true temperature, the hydrometer cup will be filled with spirits drawn from the center of the cask by means of a pipette or thief, and placed where no draught, fire, ice, snow, or other cause will influence it against the temperature of the spirits. When the

temperature of the spirits varies from that of the surrounding atmosphere, or in case the hydrometer cup shall have been brought from an atmosphere of a different temperature from that of the spirits, the gauger will fill and empty the cup until the mercury in the thermometer ceases to move upward or downward, as the case may be, when the hydrometer stem will be immediately inserted into the spirits in the cup and the indication of the stem and of the thermometer read instantly, and as nearly simultaneously as possible.

The stem must be clean and dry, and should not be permitted to drop into the spirits by its own weight, but be quickly and carefully immersed to the point where it will be sustained by the spirits when the indication will be read as soon as the stem ceases to oscillate.

In reading the indication upon the stem the gauger will note the condition of the spirits immediately surrounding it, whether the collection of air-bubbles or the rising of the spirits by capillary attraction is likely to mislead in determining the true indication, and will read the first line below the general surface of the spirits. Should the stem be submerged so that the first line is considerably below the surface, and the fraction thus indicated, united to the fraction of true per cent. proof shown in the manual, make nearly a unit, the line above that thus considerably submerged will be read and reported as representing most correctly the true indication.

Gaugers are occasionally misled as to the exact position of the *first* line below the general surface of the spirits, to the detriment of the revenue. By inserting the stem in spirits contained in a glass vessel and placing the eye alternately on a level with the general surface of the spirits, looking through the glass, and then in the position usually assumed when reading the indication of the spirits while in the hydrometer cup, the gauger will be enabled to inform himself as to which particular line is to be read.

The true indication of the hydrometer and thermometer

being obtained, the true per cent. of proof will be found opposite the "Indication" of the hydrometer, stated in the left-hand margin, and beneath the "Temperature" or indication of the thermometer, stated in the upper margin in Table No. 5 herein.

In reading the true per cents of proof, as shown in the table, fractions of five-tenths and under will be dropped. All over five-tenths will be called a whole number.

Proof spirit, as held by the law, section 3249, United States Revised Statutes, is that alcoholic liquor which contains one-half its volume of alcohol of a specific gravity of .7939, at 60° F., referred to water at its maximum density as unity, *i. e.*, 50 parts alcohol of the declared specific gravity, and 50 parts water. This proof will be indicated on the hydrometer at 100, when the temperature of the spirit is at 60°. When at 60° the hydrometer indicates a less per cent. than 100, the spirit is said to be below proof, and the number of proof-gallons will be less than the number of wine-gallons, by the same per centum, in which case the tax is upon the wine-gallon. (See section 3251, United States Revised Statutes.) When above 100, the proof-gallons will be greater than the wine-gallons by the same per centum. The scale of the United States standard hydrometer is so divided that the per cents of proof, as established by law, are shown, instead of the per cents of alcohol. No. 1 stem reads from 0 to 100; No. 2 from 80 to 120; No. 3 from 100 to 140; No. 4 from 130 to 170; No. 5 from 160 to 200—ranging from water marked 0 to absolute alcohol marked 200.

CORRECTION OF VOLUME.

Correction of volume for temperature will be made on the entire contents of the cask. If the cask is full the correction will be made upon the capacity of the cask. If the cask is not filled the actual wantage will be subtracted before the correction is made. (See examples for correction of volume

on page 28, and also preceding Table No. 5.) The standard for measuring volume being established at 60° F., the correction for expansion or increase of volume must be made by subtracting a per centum proportioned to the rise in temperature above 60°; and the correction for contraction or decrease in volume by adding a per centum proportioned to the fall in temperature below 60°. Such per centum will be found in the right-hand column in Table No. 5 herein.

In computing correction of volume gaugers should bear in mind the fact that the decimals in the right-hand column on each page of Table No. 5 herein represent the correction required to bring one hundred gallons of spirits, at the given temperature, to its volume or quantity at the standard temperature, 60° Fah. Thus, "0.5 subt." indicates that the spirits at the given indication and temperature would contract .5, or $\frac{1}{2}$, of a gallon, to every 100 gallons should the temperature of the spirits decline to 60° Fah.

After having deducted the actual wantage from the capacity of the cask and multiplied the apparent contents by the decimal of correction to volume, should there be a fraction of a wine-gallon in the product less than twenty-five hundredths (.25), the fraction will be dropped; if twenty-five hundredths (.25), or any intermediate fraction to and including seventy-five hundredths (.75), it will be called one-half gallon; if above seventy-five hundredths (.75) it will be called a whole gallon. (See Table No. 3.) The wine-gallons thus found will be cut upon the bung-stave of the cask in a legible manner. This will be done by cutting the full capacity of the cask, with the wantage immediately beneath, and under this the correction to volume, followed by the sign plus (+), if the correction is added, or minus (−), if subtracted, and in all instances the true *contents* in wine-gallons must be made to thus appear. Multiply the true wine-gallons of the contents, as cut upon the cask, by the per centum of proof (which must also be cut on the bung-stave when gauging at distilleries), and the product

will be the number of proof-gallons of spirit in the cask, which number will be cut upon the bung-stave after the per cents. of proof, retaining in this instance fractions as found to two decimal places.

VARIETIES OF CASKS.

Casks are classed into three varieties, as shown in Figure 4 herein, and the distinction consists in the curvature of the staves at what is termed the quarter-hoop; that is, at a point midway between the bung and chimb.

Those casks having the least curvature are termed the first variety, those having a medium curvature the second variety, and those having the greatest curvature the third variety.

By observing the representations (Fig. 4) it will be seen that if the three casks, whose outlines are delineated, had the same dimensions, as measured by the gauging-rod, viz, the same head diameter, bung diameter, and length, the first variety cask would have a less capacity than the second variety cask, and this latter a less capacity than the third variety cask.

For the reason indicated, no fixed inflexible rule for classifying casks is practicable, and therefore gaugers must exercise their judgment and discretion in determining under which variety casks should properly be gauged. The second variety cask is the one ordinarily in use.

Where casks are gauged as the first or third variety, the variety will be cut upon the bung-stave after the proof-gallons, thus, 1–V, 3–V.

EXAMPLE ILLUSTRATING THE METHOD OF DETERMINING THE NUMBER OF GALLONS IN A CASK.

Head diameter of cask, as shown by the head-rod..... 18.9 inches.
Bung diameter of cask, as shown at the bottom of slide on the mean-diameter scale. 21.9 inches.

Difference as shown at the bottom of the slide in the A column	3.0 inches.
Amount to be added to the head diameter to produce the mean diameter, as shown at the foot of the slide in the 2 var. or B column	1.9 inches.
Mean diameter as shown on the face of the rod adjacent to the line above the figures 1.9 in the right-hand or A column	20.8 inches.
Length as shown by the caliper measurement	28.9 inches.
Capacity of the cask, as shown in Table No. 1, in wine-gallons	42½ gallons.
Wantage	½ gallon.
Apparent wine-gallons of spirit in the cask	42 gallons.
Temperature	79° Fah.
Indication of hydrometer	109
Correction of volume for temperature	0.9 subt.
Nine-tenths of one per centum of 42 gallons	.378 gallon.
42 gallons — .378 gallon	41.622 gallons.
Correction of volume	½ gallon.
Net contents	41½ gallons.
Temperature 79, indication 109, true per cent., as shown in Table No. 5, 101.2 to be read as	101

41½ wine-gallons multiplied by 101 per centum proof, equals 41.91 proof-gallons.

Taxable gallons	42

RULE FOR FINDING THE CAPACITY OF A CASK.

Find the mean diameter of the first variety of casks by multiplying the difference between the head diameter and the bung diameter by the decimal .55 and adding the product to the head diameter, the sum being the mean diameter; of the second variety, by multiplying the difference between the two diameters by the decimal .63 and adding

the product to the head; of the third variety, by multiplying by the decimal .70, and adding the product to the head. Having thus found the mean diameter, multiply the square of the mean diameter, in inches, by the decimal .0034, which is substantially the same as dividing by 294, being the number of cylindrical inches in a wine-gallon, and the product will be the wine-gallons in one inch in length. Multiply this by the length in inches and the product will be the capacity of the cask in wine-gallons.

RULES FOR GAUGING CISTERNS OR TUBS.

Take the dimensions in inches and tenths of inches. Add together the square of the top diameter, the square of the bottom diameter, and four times the square of the midway diameter (ascertained by adding the top and bottom diameters together and dividing by two), and divide the sum by six, which gives the square of the true mean diameter; multiply this by the height of the cistern, and the product will be the capacity in cylindrical inches. As there are 294 cylindrical inches in a gallon, divide this last product by 294, and the quotient is the number of gallons contained in the cistern.

Example.

108 inches, top diameter.
120 inches, bottom diameter

Divided by 2) 228

114 midway diameter.
100 in height.

$108 \times 108 = 11664$
$120 \times 120 = 14400$
$114 \times 114 \times 4 = 51984$

$78048 \div 6 = 13008$

$13008 \times 100 \div 294 = 4424 +$ gallons.

Should the cistern be full, or warped so as not to be a perfect circle, or otherwise in such condition that the diameter of the bottom can not be taken, the following rule, though not mathematically correct, is for all practical purposes sufficiently so, the difference being only shown in large cisterns, where the difference between the top and bottom diameters is considerable.

Take the outside circumference of the cistern half way between the bottom and top, divide this by 3.1416 (or multiply by 7 and divide by 22), and you have the mean diameter on the outside; deduct from this twice the thickness of the staves, and you have the mean inside diameter. Multiply this sum by itself and by the height, and the product by .0034; the product is the capacity of the cistern in gallons.

Example (dimensions being same as in last example).—Outside circumference of cistern, 367.5 inches; height, 100 inches; staves, $1\frac{1}{2}$ inches thick.

$367.5 \div 3.1416 = 117 - 3$ inches $= 114$ inches; $114 \times 114 \times 100 = 1{,}299{,}600 \times .0034 = 4{,}418$ gallons.

GAUGERS' REPORTS.

Gaugers will make their daily reports on Form 59, of spirits gauged and inspected by them, in accordance with the following instructions:

The name of the person, firm, or corporation for whom the gauging is performed, the kind of business, whether distiller or rectifier, and the date of gauge must be written at the head of the form.

In the column beneath "*Serial Number of Package*" will be stated the serial number of the cask or package, as cut or burned thereon.

In the column beneath "*Length in Inches and Tenths*" will be entered the length of the cask or package, as determined by the use of the calipers attached to the standard gauging rod.

In the column beneath "*Mean Diameter in Inches and*

Tenths" will be stated the true mean diameter of the cask or package as found by the use of the standard gauging rod.

Gaugers are not required to fill the columns of Length and Mean Diameter when gauging spirits after rectification.

In the column beneath "*Wine-Gallons Capacity*" will be stated the total capacity of the cask as found from the required measurements, without addition or deduction for correction of volume for temperature, or for wantage.

In the column beneath "*Wantage*" will be stated the actual wantage as determined by the wantage rod, applying the rule given on page 21.

In the column beneath "*Correction of Volume*" will be stated the actual quantity which (under the regulations) is deducted from or added to the apparent contents to give the real contents, as (for instance) "0," "½," or "1," as the case may be. (See Table No. 3, herein.)

The proper correction of volume must always be made, and any gauger whose returns show, upon examination in this office, that this has been neglected will be considered as not having performed his duty.

In the column beneath "*Indication*" will be stated the indication of the hydrometer stem.

In the column beneath "*Temperature*" will be stated the indication of the thermometer as read at the same time the gauger reads the indication of the hydrometer.

In the column "*Net Wine-Gallons Contents*" will be stated the net wine-gallons contents, which will be obtained by deducting from the wine-gallons capacity the wantage, and adding to or subtracting from the remainder the proper correction of volume, according as the temperature is above or below 60° Fahrenheit, observing the instructions for the treatment of fractions of wine-gallons given herein.

In the column beneath "*Proof*" will be stated the true per cent. of proof as found in Table No. 5 herein from the indications of the hydrometer and thermometer.

In the column beneath "*Proof-Gallons Contents*" will be stated the number of proof-gallons, found by multiplying the "net wine-gallons contents" by the true per centum of proof, observing the rule heretofore given for the treatment of fractions of per cents of proof. (See Table No. 4, herein.)

In the column beneath "*Taxable Gallons Contents*" will be entered upon gauge for entry into warehouse, the proof-gallons contents, observing the rule for the treatment of fractions given below. The net wine-gallons will be entered when the spirits are below proof.

Upon gauge for withdrawal will be entered the proof-gallons contents, with the addition thereto of any loss in proof-gallons shown by the regauge, in excess of the loss allowed by law.

In either case, in stating the taxable gallons, any fraction of a proof-gallon less than one-half will be dropped, and any fraction equal to or exceding one-half will be called a whole gallon.

In the column beneath "*Tax Due*" will be stated the amount of the tax, in dollars and cents, reckoned at 90 cents per taxable gallon.

In the column beneath "*Kind and Serial Number of Stamp*" will be stated the serial number of the stamp on the package, and immediately beneath the printed heading of this column will be written "W. H.," "T. P.," "Ex.," or "R.," according as the stamps used are warehouse, tax paid, export, or rectifier's.

In the columns beneath "*Original contents as shown by marks*" will be stated the number of wine-gallons and proof-gallons found on original gauge, as shown by the marks on the casks or packages.

In the column beneath "*No. of Months in Warehouse*" will be written 1 – if the spirits have been in warehouse less than one month, 1 if exactly one month, 1 + if more than one month and less than two months, 2 if exactly two months, 2+ if more than two and less than three months, and so on.

The last three columns on Form 59 are to be filled only when spirits are gauged on withdrawal from warehouse, in which case the column headed "*Kind and Serial Number of Stamp*" will be left blank by the gauger, and filled by the collector on issuing the stamps.

Gaugers must fill up each and every column in their reports, as directed, or write in such column the reason for the omission.

The report will be folded into a convenient size for filing, and so as to bring the indorsement in its proper place; and all of the blanks in the heading and the indorsement will be filled as indicated.

When a gauger is called upon to gauge distilled spirits for two or more distilleries upon the same day, he will report the spirits gauged for each distiller upon a separate report, and in such manner that there can be no mistaking the casks and contents gauged at each distillery. The proof and taxable gallons will be correctly footed in each report by the gauger.

Gaugers will follow the above instructions, as far as the same are applicable, in making their reports on Forms 59½, 59*a*, 176, 191, 205, and 122 revised.

REPORT ON ENTRY INTO DISTILLERY WAREHOUSE.

When spirits are gauged for entry into a distillery warehouse, the gauger will make three reports for the use of the Government, viz: Two on Form 59, and one on Form 59*a*. The Forms 59 will at once be forwarded to the collector, previous to which the gauger will mark on the back of one the words "To the Commissioner for review," and the one thus indorsed, after the examination required below, will be forwarded by the collector to the Commissioner of Internal Revenue. The remaining Form 59 will be retained and filed by the collector.

The report on Form 59*a* will be delivered by the gauger to the storekeeper, who will transmit the same, inclosed in

and attached to his daily report on Form 86, to the Commissioner.

ALLOWANCE FOR LOSS OF SPIRITS WHILE IN WAREHOUSE.

Section 17 of the act approved May 28, 1880, provides that "Whenever the owner of any distilled spirits shall desire to withdraw the same from the distillery warehouse, or from a special bonded warehouse, he may file with the collector a notice giving a description of the packages to be withdrawn, and request that the distilled spirits be regauged; and thereupon the collector shall direct the gauger to regauge the same, and mark upon each package so regauged the number of gauge or wine gallons and proof-gallons therein contained. If upon such regauging it shall appear that there has been a loss of distilled spirits from any cask or package, without the fault or negligence of the distiller or owner thereof, taxes shall be collected only on the quantity of distilled spirits contained in such cask or package at the time of the withdrawal thereof from the distillery warehouse, or special bonded warehouse: *Provided, however*, That the allowance which shall be made for such loss of spirits as aforesaid shall not exceed one proof-gallon for two months, or part thereof, one and one-half gallons for three and four months, two gallons for five and six months, two and one-half gallons for seven and eight months, three gallons for nine and ten months, three and one-half gallons for eleven and twelve months, four gallons for thirteen, fourteen, and fifteen months, four and one-half gallons for sixteen, seventeen, and eighteen months, five gallons for nineteen, twenty, and twenty-one months, five and one-half gallons for twenty-two, twenty-three, and twenty-four months, six gallons for twenty-five, twenty-six, and twenty-seven months, six and one-half gallons for twenty-eight, twenty-nine, and thirty months, seven gallons for thirty-one, thirty-two, and thirty-three months, and seven and one-half gallons for thirty-four, thirty-five, and thirty-

six months: *Provided, also*, That the foregoing allowance of loss shall apply only to casks or packages of a capacity of forty or more wine-gallons, and that the allowance for loss on casks or packages of less capacity than forty gallons shall not exceed one-half the amount allowed on said forty-gallon cask or package; but no allowance shall be made on casks or packages of less capacity than twenty gallons: *And provided further*, That the proof of such distilled spirits shall not in any case be computed at the time of withdrawal at less than one hundred per cent."

The maximum allowance for each of the periods named in said section 17, in the case of a cask or package of forty or more wine-gallons capacity, may be stated in tabular form as follows:

Not to exceed one proof-gallon for two months or part thereof.

Not to exceed 1½ proof-gallons for more than 2 months and not more than 4 months.

Not to exceed 2 proof-gallons for more than 4 months and not more than 6 months.

Not to exceed 2½ proof-gallons for more than 6 months and not more than 8 months.

Not to exceed 3 proof-gallons for more than 8 months and not more than 10 months.

Not to exceed 3½ proof-gallons for more than 10 months and not more than 12 months.

Not to exceed 4 proof-gallons for more than 12 months and not more than 15 months.

Not to exceed 4½ proof-gallons for more than 15 months and not more than 18 months.

Not to exceed 5 proof-gallons for more than 18 months and not more than 21 months.

Not to exceed 5½ proof-gallons for more than 21 months and not more than 24 months.

Not to exceed 6 proof-gallons for more than 24 months and not more than 27 months.

Not to exceed 6½ proof-gallons for more than 27 months and not more than 30 months.

Not to exceed 7 proof-gallons for more than 30 months and not more than 33 months.

Not to exceed 7½ proof-gallons for more than 33 months and not more than 36 months.

The loss to be allowed on casks or packages of less than 40 wine-gallons capacity and not less than 20 wine-gallons capacity must not exceed one-half the amount allowed on casks or packages whose capacity is 40 wine-gallons and upwards, and no allowance must be made for the loss in casks or packages of less capacity than 20 wine-gallons.

It will be seen that where the loss of spirits while in warehouse does not exceed the statute limit the tax is to be collected on the proof-gallons contents as shown by the regauge.

Where the loss exceeds the statute limit the tax will be collected on the number of proof-gallons contents, as shown by the original gauge, less only the loss allowed by law.

Examples.

1. A package, the original contents of which were 50 wine-gallons, 50 proof-gallons, and 50 taxable gallons, when regauged after remaining in warehouse 35 months, is found to contain 45 wine-gallons and 45 proof-gallons. The taxable gallons in this case are 45, and the tax-paid stamp will represent 45 gallons.

2. A package, the original contents of which were the same as the foregoing, remaining in warehouse the same length of time, is found upon reguage to contain only 40 wine and 40.40 proof-gallons. The maximum allowance in this case is 7.50 proof-gallons. Deducting this amount from the original proof-gallons leaves 42.50 proof-gallons and 43 taxable gallons.

3. A package, original contents and period in warehouse same as foregoing, is found on regauge to contain 46 wine-

gallons, 45.08 proof gallons. The taxable gallons contents are 46.

4. A package, original contents 45 wine-gallons, 45.45 proof-gallons, 45 taxable gallons, upon regauge, after remaining in warehouse 30+ months, is found to contain 37 wine-gallons, 37.37 proof-gallons. The loss in this case being excessive, the loss allowed by law (7 gallons) being deducted from the original proof-gallons contents gives 38.45 proof-gallons, or 38 gallons on which the tax is to be paid.

5. A package of 38 gallons capacity, containing originally 52.50 proof-gallons, when regauged, after remaining in warehouse 3+ months, is found to contain 51.43 proof-gallons. The statute permits an allowance of only .75 of a proof-gallon for the loss in this case, as the capacity of the cask is less than forty wine-gallons; therefore, the tax should be paid on 51.75 proof-gallons, the taxable gallons being 52.

It will be observed that in cases where the loss exceeds the statute limit the proof-gallons upon which tax is due may be ascertained by deducting the maximum allowance from the actual loss and adding the remainder to the present proof-gallons contents. Thus, referring to example No. 2 above, $9.60 - 7.50 = 2.10$; and $2.10 + 40.40 = 42.50$.

REPORT ON WITHDRAWAL FROM DISTILLERY WAREHOUSE.

When spirits are withdrawn from warehouse on payment of tax the gauger, when directed by the collector, will make a careful regauge of the spirits and prepare three reports for the use of the Government, viz, two on Form 59, on one of which will be indorsed the words "To the Commissioner for review," and one on Form 176.

These forms will at once be forwarded to the collector, who, after having carefully examined the same and satisfied himself as to their accuracy, will issue the tax-paid stamps in accordance with the provisions of law above quoted, and enter in the appropriate columns, on the said

forms, the kind and serial numbers of the stamps thus issued.

The collector will then forward to this office the Form 59 indorsed as above, and retain and file the other, and send the Form 176 to the storekeeper, who will transmit the same to this office inclosed in and attached to his daily report on Form 86.

In case of a regauge of spirits on the payment of the tax, the gauger is required to append to each copy of the collector's order directing such regauge a report of the results of the regauge as indicated on Form 179.

In some cases all the spirits entered into a distillery warehouse on a given day may be withdrawn from the warehouse during the same day without a regauge.

In such cases, where no other spirits are withdrawn during the day, the gauger is required to deliver to the storekeeper only one report for the day, to be forwarded with Form 86 to this office, and this report will be on Form 59 *a*.

In all cases where spirits are withdrawn without a regauge, the only reports of withdrawal required of the gauger are two reports on Form 59*a*, indorsed "No regauge made," one to be delivered to the collector, and the other to the storekeeper, to be transmitted to this office with his daily report on Form 86.

In making this report the gauger will use the latest edition of Form 59*a*, which has a column for the serial numbers of warehouse-stamps and another column for the serial numbers of tax-paid stamps; he will enter in these columns the serial numbers of the warehouse-stamps and tax-paid stamps respectively; and he will indorse these numbers on the return, and under the words (printed on the back of the form) "Gauger's return of spirits" write the words "Entered into and withdrawn from warehouse without a regauge."

Unless all the spirits entered on a given day, and only those, are withdrawn without regauge on the same day, the

gauger will be required to hand the store-keeper separate reports covering entries and withdrawals respectively.

REPORTS OF GAUGE FOR EXPORTATION.

When spirits are withdrawn from distillery warehouse for exportation, each cask must be carefully gauged and inspected, and the actual wantage, proof, and contents ascertained without reference to the marks thereon. The gauger will also make three reports of the same. One report will be made in triplicate on Form 59; one copy of which he will deliver to the collector, one he will mail to the Commissioner of Internal Revenue indorsed "For review," and the other he will append to a copy of the report on Form 206. One report will be made on Form 205, to be delivered to the store-keeper, and by him transmitted to this office with his report on Form 86 for the day on which the withdrawal is made. The third will be made on Form 206, which latter report will be delivered to the collector. All of the blank spaces and columns on Form 206 must be filled as indicated on the form, which will be made in triplicate.

On the back of the Form 205 will be written the words "*For Export.*"

REPORTS ON CHANGE OF PACKAGES IN WAREHOUSE FOR EXPORTATION.

When a change of packages of distilled spirits is made in distillery warehouse for exportation, the gauger will carefully gauge and inspect each original package before the change is made, and make three reports of the same, as follows:

One, in detail, on Form 59, in duplicate, one copy of which will be delivered to the collector and the other forwarded to the Commissioner of Internal Revenue indorsed "For Review;" another, on Form 205, to be delivered to the store-keeper, for transmission to the Commissioner with his report on Form 86; and the third in part 3 of Form 206.

The change of package will be made in the presence of the gauger and store-keeper, who will see that no mingling of spirits of different kinds or quality or covered by different entries for deposit is permitted, and who will require the distiller, in the filling, so to arrange the contents, in gallons and fractions of gallons, that the aggregate of taxable gallons in the new packages shall just equal the number thereof in the old packages, as shown by the regauge. The taxable gallons having been legally determined by the regauge of the old packages, a different quantity should not be indicated by the new packages.

The gauger will also carefully gauge and inspect the spirits after they are transferred to the new packages, and make report of the same on Form 59, in triplicate, one copy of which will be appended to each of the three notices on Form 206.

He will also add to his statement on Form 206 a certificate, describing the new packages and their contents, and identifying such contents with those described in part 3 of that form.

REPORTS OF GAUGE ON TRANSFER OF DISTILLED SPIRITS FROM DISTILLERY WAREHOUSE TO MANUFACTURING WAREHOUSE.

When distilled spirits are withdrawn from distillery warehouse for transfer to manufacturing warehouse, the gauger, on receipt of instructions to that effect from the collector, will carefully gauge and inspect each cask of spirits, and make three reports of such gauge and inspection; one in detail on Form 59, to be delivered to the collector; one on Form 205, to be delivered to the store-keeper for transmission to this office with his Form 86 for the day on which the withdrawal is made; and the third on Form I, in triplicate. Reports on this latter form must be made in full, as indicated on the form, and the same returned to the collector. On the back of the Form 205 will be written the words "*For Transfer to Manufacturing Warehouse.*"

REPORT OF GAUGE ON WITHDRAWAL OF SPIRITS FROM DISTILLERY WAREHOUSE FOR SCIENTIFIC PURPOSES, OR FOR USE OF THE UNITED STATES.

When distilled spirits are withdrawn from distillery warehouse for scientific purposes, or for use of the United States, the gauger, on receipt of instructions to that effect from the collector, will carefully gauge and inspect each cask of spirits, and make two reports of such gauge and inspection, one in detail on Form 59, to be delivered to the collector, and one on Form 205, to be delivered to the store-keeper for transmission to this office with his Form 86 for the day on which the withdrawal is made. On the back of the Form 205 will be written the words "For Scientific Purposes," or "For use of the United States," as the case may be.

REPORTS OF GAUGE AT FRUIT DISTILLERIES.

Gaugers assigned to duty at fruit distilleries are required to make their daily reports on Form No. 59½ in triplicate, and forward the same to the collector of their district, who, after examining them, will immediately forward one copy to the Commissioner. The latter will be marked on the back, in writing, "To the Commissioner for review."

The other two copies the collector will retain in his office until he has made up and is ready to forward his monthly statement of the operations of brandy distilleries on Form No. 15, when he will file one copy of all the daily reports for the month in his office, and attach one copy of the same to Form No. 15 in such manner as to prevent separation, and forward the papers together to this office.

REPORTS OF GAUGE OF GRAPE BRANDY ON REMOVAL FROM DISTILLERY TO SPECIAL BONDED WAREHOUSE.

When brandy made from grapes is to be removed in bond from the distillery to a special bonded warehouse, the gauger, on receipt of the collector's order to that effect, on Form

A 2, will carefully gauge and inspect each cask, and make report of the same on the certificate embraced in said form.

The gauger will then deliver each copy of the form to the distiller, who will immediately indorse thereon his entry of withdrawal, and at once return the papers to the gauger for immediate delivery to the collector.

In the event of neglect or refusal of the distiller to immediately return the report, with his entry, Form A 3, indorsed thereon, as provided, the gauger will give immediate notice of the fact to the collector stating the date of his report on Form A 2.

The order, Form A 2, will be executed in duplicate in case the distillery and warehouse are in the same district, and in triplicate if they are in different districts.

REPORT OF GAUGE OF GRAPE BRANDY ON WITHDRAWAL FROM SPECIAL BONDED WAREHOUSE—TAX PAID.

When grape brandy, deposited in a special bonded warehouse, is to be withdrawn upon payment of the tax, the gauger, on receipt of instructions to that effect from the collector, on Form A 179, in duplicate, will carefully gauge and inspect each package and append to each copy of the collector's order a report, as indicated thereon.

Having made his certificate of inspection, as above, the gauger will deliver each copy of the order to the owner of the brandy, who will indorse thereon an entry for withdrawal, as prescribed.

In addition to the foregoing the gauger will also make reports of his regauge on Forms 59 and 176, as directed herein in case of a regauge on withdrawal from distillery warehouse on payment of tax.

If no regauge is made reports on Forms 59 and 59 A will be rendered, and disposed of as required in case of withdrawal from distillery warehouse without regauge on payment of tax.

REPORTS OF GAUGE AT DISTILLERIES TO BE EXAMINED BY COLLECTORS.

Collectors will cause an examination to be made of the gaugers' returns of gauging at distilleries before transmitting the same to this office, and call the attention of gaugers to such errors as are found therein.

Such returns on Forms 59 and 59½ will be examined in the office of the collector with an especial view of ascertaining if the necessary correction to volume has been made when required, as well as to determine if the other instructions have been observed.

REPORTS OF GAUGE AT RECTIFIERS BEFORE RECTIFICATION.

Gaugers are prohibited from gauging spirits for dumping for rectification until directed to do so by the collector on Form 122 revised, when they will make detailed report of such gauge on the said form in the columns under the head of "Return of spirits gauged," and fill up and sign the certificate at the foot of the form.

Any gauger who is found to have signed the certificate in blank on Form 122, or to have given a false certificate, will be recommended for dismissal from office.

Whenever, by reason of the destruction of the portion of the stamp required to be cut out, or from other cause, the gauger erases any portion of the certificate, he will state the reason for such erasure in a foot-note on the form. In case, however, the gauger cuts out the portion of the stamp and attaches the same to the Form 122 as provided below, he may leave the packages to be emptied by the rectifier, and erase the words "*saw the packages emptied and the remaining portion of the stamps destroyed*" from the certificate, without stating the reason for such erasure.

In cases where the rectifying is done in the original package, said package will be considered as the rectifying tub or vat, and no portion of the certificate will be erased.

Where rectified spirits are dumped of which the hydrom-

eter will not correctly indicate the proof, in consequence of the introduction of saccharine matter, the gauger will in all cases report the proof-gallons the same as the wine-gallons.

If less than the contents of a package or packages is dumped, the gauger will enter in the column "Proof-gallons, contents" the actual quantity emptied from each package and leave the remaining columns blank and amend the certificate correspondingly.

All tax-paid, rectifiers', and wholesale liquor-dealers' stamps are issued with a slip of paper affixed to the back of each stamp, and gaugers detailed for duty at rectifying-houses will, whenever packages having thereon tax-paid stamps are gauged for the purpose of being dumped for rectification, carefully cut out, with a sharp instrument, that portion of the stamp upon which is shown the serial number of the stamp, name of the distiller, proof-gallons, and the serial number of the package. These slips are to be securely attached to a slip of paper in such a manner as that the above-described portion of each stamp may be readily examined, and said slip of paper must be securely attached to the Form 122, whereon the gauging is reported.

Whenever a package of spirits bearing a rectified-spirit stamp, having a paper back, is gauged for the purpose of being dumped for rectification, that portion of the stamp on which is printed the serial number, the proof-gallons, the denomination of the stamp, and the district and State, will be carefully cut out by the gauger in the same manner as a portion of the tax-paid stamp is cut out, and attached to a slip of paper, and such slip attached to the form as above required in the case of tax-paid stamps.

Whenever a package of spirits bearing a wholesale liquor-dealer's stamp, having a paper back, is gauged for the purpose of being dumped for rectification, such stamp will be cut from top to bottom between the words "proof" and "collector," which will be found near the bottom of the stamp, and the portion so cut must embrace the entire width

between the said words, and the slip will be attached to the slip of paper and form as above described.

Reports on Form 122 are required to be made in duplicate.

REPORTS OF GAUGE AT RECTIFIER'S AFTER RECTIFICATION.

When the process of rectification (including compounding, etc.) has been completed, the rectifier will so notify the collector, giving the number of proof-gallons so rectified, redistilled, or compounded, and request that the spirits may be gauged and inspected and stamps issued for the same; and thereupon the collector will direct a gauger to gauge and inspect the same. The gauger will make two reports of such gauge and inspection on Form 191, one of which reports will be forwarded to this office by the collector, inclosed in the rectifier's return on Form 45; the other report will be retained by the collector and filed with the copy of Form 45.

Where spirits are gauged the proof of which can not be correctly determined by the hydrometer, owing to the presence of saccharine matter or other material which affects the instrument, the gauger will enter on Form 191 the apparent proof and apparent proof-gallons in columns 10 and 11, and make no entry in columns 8 and 9.

In case, however, so much saccharine or other matter has been added to the spirits that no indication is shown on the stem, a cipher ("0") will be written in columns 5, 10, and 11, and columns 8 and 9 will be left blank.

In all cases, except as above, every column will be filled but 10 and 11, in which no entry will be made.

COPIES OF REPORTS TO BE FURNISHED TO THE PARTY FOR WHOM GAUGING IS DONE.

In all cases where gaugers perform official gauging they will hand a copy of their official report, when so desired, to the party for whom such gauging is done.

GAUGER'S BILLS.

Gaugers will render their bills for fees and expenses monthly, on Form 150 revised (see instructions on pages 4–8 herein), and any failure to fully comply with the instructions found on said form in making out the bill may cause delay in its settlement.

GAUGER'S TICKLER.

Form 109 is intended solely for the use of gaugers, to transcribe from Form 59 the daily statement required for their monthly accounts—Form 150.

The tickler should neither be forwarded to the collector nor to this office.

REPORT OF STAMPS USED.

Section 3314, Revised Statutes, as amended, requires each gauger to make daily report to the collector of stamps used and for whom used.

This report will be made on Form 118 revised, and is to be sent to this office only when specially directed.

GAUGER'S INVENTORY OF STAMPS REMAINING ON HAND.

Gaugers are required at the close of the last business day of each month to inventory all stamps remaining in their possession.

This inventory will be made in duplicate on Form 178 revised, and in compliance with the instructions on the back of the form. Both copies of the inventory will be immediately forwarded to the collector.

USE OF STAMPS FOR DISTILLED SPIRITS.

Under the provisions of sections 3287, 3295, 3320, and 3330, United States Revised Statutes, as amended, and as provided by the legislative appropriation act of August 15, 1876, the act of March 3, 1877, and section 11, act of March

1, 1879, there are five classes of stamps for distilled spirits: 1. Those used for distillers, consisting of the distillery-warehouse and tax-paid stamps, the latter of a not less denomination than ten wine gallons. 2. The warehousing and rewarehousing stamps used for grape-brandy. 3. Stamps for rectified spirits to be used for rectifiers. 4. Those used by wholesale liquor-dealers, consisting of wholesale liquor-dealers' stamps and stamps for imported spirits. 5. Stamps to be used for exporters.

Spirits produced from any material other than apples, peaches, or grapes are required to be drawn into casks or packages containing not less than ten wine-gallons each, gauged, proved, and marked, and deposited in the distillery warehouse, and to have the distillery-warehouse stamp affixed to each cask. Before being withdrawn from warehouse, the tax-paid or export stamp must also be affixed, and said stamps must remain upon such casks or packages until the spirits therein are emptied, drawn off, or exported. When emptied or drawn off, the warehouse and tax-paid stamps, with the other marks and brands, must be effaced and destroyed, as required by section 3324, Revised Statutes.

The special brand, however, which, under the provisions of section 3295, Revised Statutes, is to accompany the tax-paid stamp, must not be removed and destroyed, but, when the cask or package is emptied, is to be canceled by cutting or burning a canceling line across the letters and figures composing such brand in such manner as not to destroy their legibility.

The original casks or packages of a distiller, after removal from warehouse, must, therefore, bear the distillery-warehouse and tax-paid or warehouse and export stamps.

The absence of these stamps is evidence that the tax was not paid, or that there has been a change of package, and the cask in such latter case, if containing five or more gallons wine-measure, must bear the rectifiers' or the whole-

sale liquor-dealers' stamp, as the case may be, and be marked as hereinafter provided.

So long as the original package remains unchanged and bears the distillery-warehouse and tax-paid stamps, and is not intended for export, no other stamp is required.

All spirits produced by distillers of apples, peaches, or grapes, exclusively, are required to be drawn into casks of not less than ten wine-gallons capacity, and to be retained at the designated place of deposit at the distillery until the tax is paid thereon and the tax-paid stamp is attached thereto, except that brandy made from grapes may be removed in bond from the place of manufacture to a special bonded warehouse without payment of tax under the provisions of the act of March 3, 1877.

The original packages of this class of distillers must, therefore, bear the tax-paid stamps, or, in case of grape-brandy, the special bonded-warehouse stamp. The absence of these stamps from packages containing spirits of this class is evidence that the tax was not paid, or that there has been a change of package, and the cask containing five or more wine-gallons in such case must bear the stamp for rectified spirits or the wholesale liquor-dealers' stamp, as the case may be, and the marks hereinafter required. So long as the original package remains unchanged, and bears the tax-paid stamp, no other stamp is required. The marks, brands, and stamps must be effaced and obliterated on emptying, and the special brand canceled, as in the case of other distillers' packages.

Under the provisions of section 3320, R. S., every package of rectified spirits, filled for shipment, sale, or delivery, on the premises of any authorized rectifier, must be gauged, inspected, marked, and branded as hereinafter provided, and have affixed thereto the stamp for rectified spirits.

It must be understood, however, that the term rectified spirits is here used in its legal and not in the ordinary commercial signification of the term. Any person who purchases tax-paid

spirits and redistills or compounds the same, or who purifies or refines such spirits by any process, is a rectifier as defined by law; and the spirits so redistilled, compounded, refined, or purified, are rectified spirits, and must bear the stamps for rectified spirits. The term rectifier, as used in these regulations, includes every person who treats distilled spirits or wines by any of the processes the using of which would constitute him a rectifier, as defined by section 3244, United States Revised Statutes.

The use of the wholesale liquor-dealers' stamp upon the original packages of rectified spirits put up by a rectifier is improper, and must not be allowed; and the term rectified spirits must not be limited to its old commercial sense, but must be construed to cover all spirits included in the statute definition.

USE OF COUPONS ON STAMPS FOR RECTIFIED SPIRITS.

In using the coupons on rectifiers' stamps, the same rule will be followed in the treatment of fractional parts of gallons as is observed in the treatment of fractions of proof-gallons for the purpose of taxation; that is, if the fraction is less than .50 it is dropped, and if .50 or above, it is called the unit above. Thus, if a cask contains 42.46 gallons, a 40-gallon stamp and two coupons will be used, and 42.46 written in the body of the stamp. If the fraction were .52, three coupons would be used and 42.52 written in the stamp. In case a cask contains five or more wine-gallons, and less than five proof-gallons, a five-gallon stamp without coupons will be used, and the number of proof-gallons written in the body of the stamp.

Section 3314, Revised Statutes, as amended, authorizes collectors to intrust to gaugers books of stamps relating to distilled spirits other than tax-paid stamps, and where such books are so intrusted to a gauger he will be required to keep the same continuously in his immediate possession,

and, when not in actual use, the book must be deposited in a safe and secure place, under lock and key, to which no one shall have access at any time except himself.

MARKING, BRANDING, AND STAMPING OF CASKS OR PACKAGES OF DISTILLED SPIRITS.

I.—ON ENTRY INTO DISTILLERY-WAREHOUSE.

All spirits produced by distillers who use other materials, than apples, peaches, or grapes must be entered in the distillery-warehouse, and duly withdrawn therefrom as provided by law.

When such spirits are drawn from the receiving-cisterns, they must be gauged, proved, and marked, and the gauger will affix the distillery-warehouse stamp, and cancel the same in the manner hereinafter directed, in the presence of the store-keeper. He will also legibly cut upon the bung-stave, on the side of the bung-hole nearest the "stamp-head," in the manner directed on page 26 herein, the number of wine-gallons, the proof, and the number of proof-gallons of spirits contained in each cask. At the same time the gauger will cut with a die, or burn upon the head of each cask, its serial number in figures large enough to be easily read, and the serial number of the distillery-warehouse stamp in like legible figures immediately under the serial number of the cask. The word "cask," when used alone herein, will be taken to include any package used to contain distilled spirits.

Fractions of proof-gallons must be ascertained, marked, and reported in all cases, but the tax will be collected on the fraction of the gallon as if it were a whole gallon where the fraction is one-half or over; but where it is less than one-half such fraction will be dropped.

The serial number for every distillery must begin with number one (No. 1), with the first cask deposited, and no

two or more casks warehoused at the same distillery may be marked with the same number.

The gauger will also mark or brand, with a die, stencil, or branding-iron, on the head of the cask, in letters not less than one inch in length, the particular name of the spirits as known to the trade, which mark or brand will be varied to suit whatever kind is contained in the package, as "high-wines," "rye," "Bourbon," or "copper-distilled" whisky, as the case may be.

He will also mark the date of inspection, so that the head of the cask will appear as follows:

Whenever a stamp is affixed to a cask or package of distilled spirits it must immediately be canceled. For this purpose the gauger will use a stencil-plate of brass or cop-

per, in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch beyond each side of the stamp, on the wood of the cask; and the name of the gauger must be cut on one end of the plate, and his title, viz, "U. S. Gauger," and district, on the other end, perpendicular to the lines.

Gaugers will decline to gauge casks or packages having a capacity not exceeding 20 gallons, wine measure, and containing spirits the temperature of which has been artificially changed, until the spirits have either reached a point varying not more than 10° Fahr. from the standard temperature of 60° Fahr., or a point varying not more than 5° Fahr. from the existing temperature of the open air.

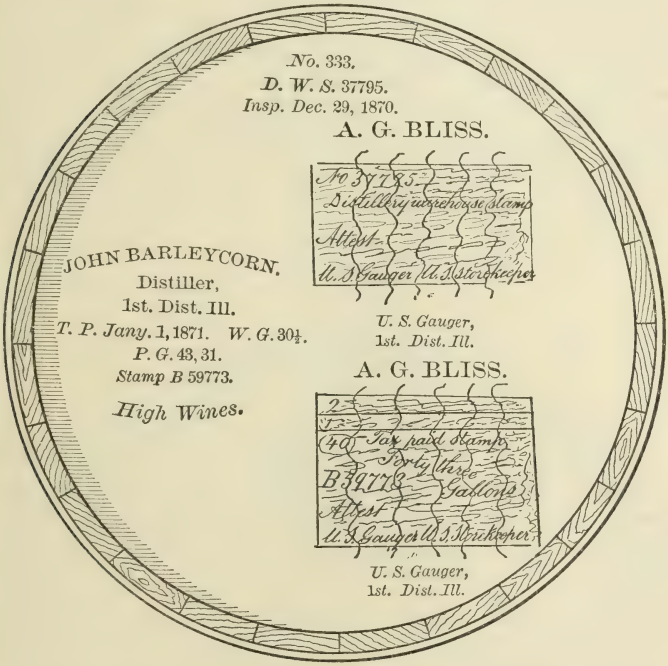
II. ON WITHDRAWAL FROM DISTILLERY WAREHOUSE.

When spirits are withdrawn from distillery warehouse on payment of the tax, the tax-paid stamp must be affixed and canceled, and upon the head of each cask must be cut or burned the name of the distiller, the district, the date of the payment of the tax, and the number of the tax-paid stamp, and the gauger will also mark on the head of the cask the number of guage or wine gallons, and proof-gallons contents, and if regauge is made cut on the bung-stave, on the side of the bung-hole opposite to the "stamp head," and in the manner hereinbefore directed, the number of wine-gallons, the proof, and the number of proof-gallons of spirits therein contained as ascertained by the regauge.

When there is no regauge the gauger will cut or burn on the "stamp head" the number of proof-gallons as determined by the original gauge.

All of the branding required to be applied to the head, except the date, number of proof-gallons, and number of the stamp, may be burned upon the cask prior to its being filled at the cisterns, and the date and numbers cut with a die at the time the tax-paid stamp is attached. The letters and figures constituting any brand or mark must in all cases be large enough to be easily read.

The following cut illustrates the marks, brands, and stamps required to be applied to the head of the cask when regauged on withdrawal from distillery warehouse on payment of tax.



When spirits are not regauged on withdrawal, the number of wine-gallons is not required to be shown on the head of the cask.

When spirits are regauged on withdrawal from warehouse the stamp must be affixed by the gauger by whom the regauge was performed.

III. ON WITHDRAWAL FROM DISTILLERY WAREHOUSE FOR EXPORTATION.

When withdrawn from warehouse and intended for export, the gauger, in addition to affixing and canceling the

export stamp, will cut or burn upon the head of the cask in letters and figures, not less than half an inch in length, the name of the distiller, the district and State in which the distillery warehouse is located, the date of withdrawal, the number of export stamp, and the name of the port or place from which the spirits are to be exported, and the number of wine and proof gallons contents, as then ascertained, will be marked on the head and cut on the bung-stave, on the side of the bung-hole opposite to the "stamp head." Such cutting, marking, or branding on the head will be as follows:

John Smith & Co.,
Distillers,
6th Dist., O.
Withd'n Jan. 10, 1873. W. G. 44. P. G., 44.
Ex. Stamp 385.
To New York for Export.

IV. ON CHANGE OF PACKAGES IN WAREHOUSE FOR EXPORTATION.

When a change of packages of distilled spirits is made in distillery warehouse for exportation, the gauger will affix the export stamp to the head of the new casks, and cancel the same.

He will also legibly and durably mark on the head of each cask, in letters and figures not less than one-half inch in length, the date of inspection, the kind of spirits as known to the trade, the date of withdrawal, the number of the export stamp, and the port to which the spirits are to be shipped for export.

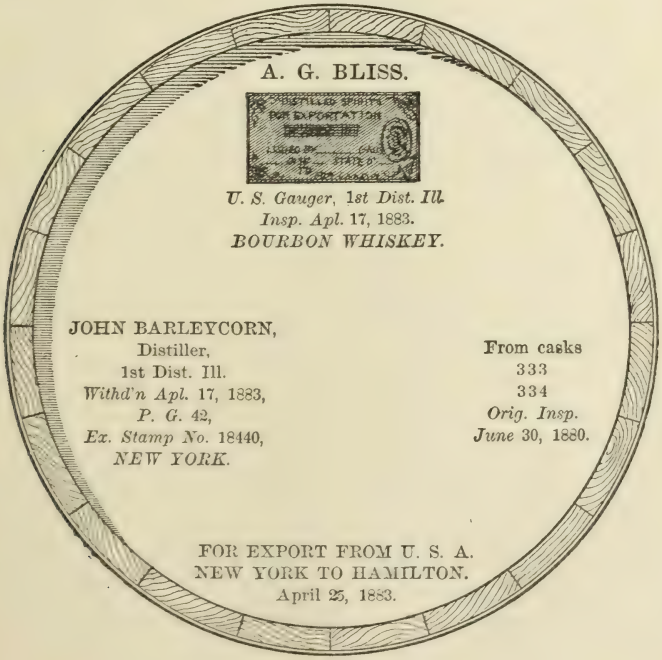
There shall also be cut or burned on the head of the cask, at or before the time of filling thereof, the name of the distiller and the district where such spirits were produced.

The gauger will also cut upon the bung-stave of the cask the number of wine and proof-gallons, and on the head the number of proof-gallons, and also the words "From Cask," and the figures denoting the serial number of the cask from

which the contents of the new cask were obtained, and the date of its original inspection.

In case the new package is filled from two or more old packages, the serial numbers will be placed beneath the words "From Casks," and beneath each other in the order in which the old packages contributed in quantity of spirits to the filling of the new package, so that the first serial number will be taken from the old package which furnished the largest quantity of spirits to the new package. The second number will represent the package contributing the second largest quantity of spirits, and so on.

The following cut illustrates the marks, brands, and stamp to be applied to the head of the new casks when change of packages is made for exportation:



That portion of the brand at the foot of the above diagram commencing "For export" is to be applied by the customs gauger at the port of entry.

V. ON WITHDRAWAL OF DISTILLED SPIRITS FROM DISTILLERY WAREHOUSE FOR TRANSFER TO MANUFACTURING WAREHOUSE.

When distilled spirits are withdrawn from distillery warehouse for transfer to manufacturing warehouse under the provisions of section 20, act of March 1, 1879, as amended by act of May 28, 1880, in addition to affixing the export stamp, the gauger will cut with a die, or burn upon each cask, in letters and figures not less than half an inch in length, the name of the distiller, the district, the date of withdrawal, the number of the export stamp, and the name of the port to which the spirits are consigned for deposit in a manufacturing warehouse; and the number of wine and proof gallons contents, as then ascertained, must be marked on the head and cut on the bung-stave, on the side of the bung-hole opposite to the stamp head.

The brand may be abridged in the following manner:

John Smith & Co.,
Distillers,
6th Dist., O.
Withd'n Jan. 10, 1879. W. G. 44. P. G. 44.
Ex. Stamp, 385.
To New York for deposit in M'f'g W. H.

VI. ON WITHDRAWAL OF ALCOHOL FROM DISTILLERY WAREHOUSE FOR SCIENTIFIC PURPOSES, OR OF ANY DISTILLED SPIRITS FOR THE USE OF THE UNITED STATES, FREE OF TAX.

When alcohol is withdrawn from distillery warehouses for scientific purposes under the provisions of section 3297, Revised Statutes, or any distilled spirits are withdrawn for

the use of the United States under section 3464, the gauger will legibly and durably mark on the head of each cask, in letters and figures not less than half an inch in length, the number of proof gallons as then ascertained, the date of the permit granted by the Secretary of the Treasury for such withdrawal, the object for which the withdrawal is made, and his name, title, and district.

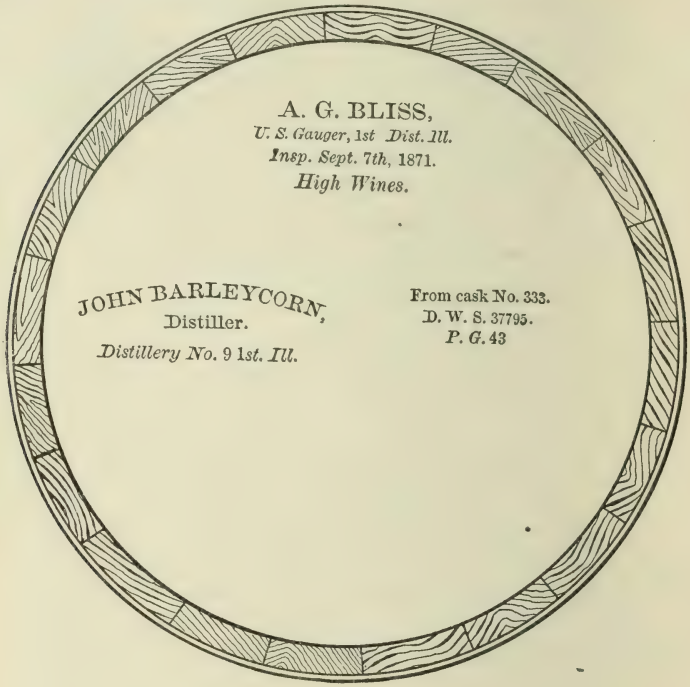
Such marking will be as follows:

Withdrawn under permit issued June 1, 1888,
For Scientific Purposes,
(or For use of U. S.). P. G. 44.
Richard Roe,
U. S. Gauger,
5th Dist. Ill.

VII. ON CHANGE OF PACKAGE IN DISTILLERY WAREHOUSE TO PREVENT LEAKAGE.

When it becomes necessary, in order to prevent leakage or wastage, to change a package in a distillery warehouse, *i. e.*, to draw off the contents of a cask bearing the distillery warehouse stamp and the accompanying marks and brands, and to place the same in a new cask, the spirits must be again inspected and gauged, the number of wine and proot gallons must be cut upon the bung-stave, and the gauger will legibly mark, in a durable manner, upon the head of the cask, his name, office, district, date of inspection, and name of the spirits as known to the trade. At the same time he will cut or burn on the head of the cask the name of the distiller, the distillery where such spirits were produced, and the serial number of the original package, together with the serial number of the warehouse stamp, and directly beneath this latter the number of proof-gallons originally contained

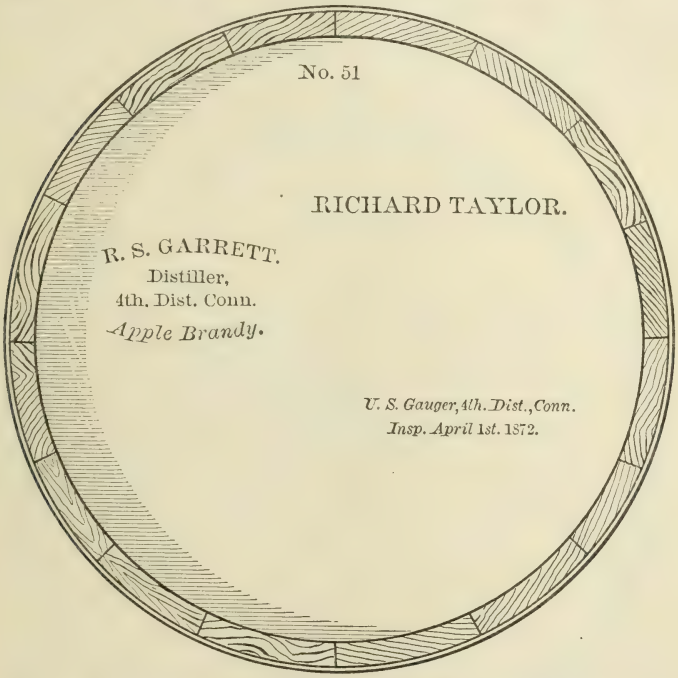
in the cask, so that the head of the cask will appear as shown in the following illustration:



On gauging fruit brandy the gauger will cut upon the bung-stave the number of wine-gallons, the proof, and number of proof-gallons of spirits contained in each cask, and upon the head of the cask will be cut or burned the name of the distiller, the district, and the serial number of the cask, and the particular name of the spirits must be marked or branded thereon.

The gauger will also legibly and durably mark on the head of each cask his name, office, district, and date of inspection, which marking must be performed in such manner as to

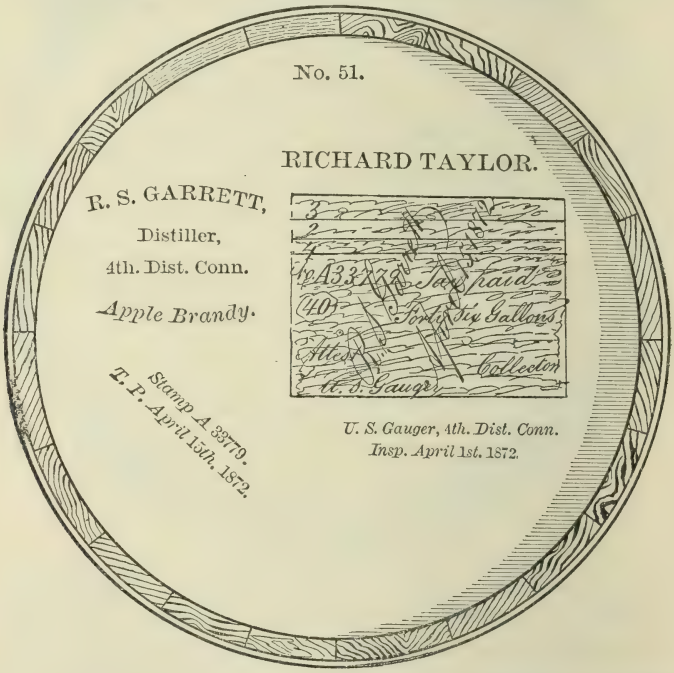
admit of the attaching of the tax-paid stamp between the name and office. This marking and branding upon the head of the cask will be done as follows:



Upon the receipt from the collector by the distiller of the tax-paid stamps for the packages of brandy previously gauged, marked, and branded by the gauger, the distiller shall affix the same upon the head of each package in a secure and permanent manner, by pasting the same upon the head of the casks, in the space between the name and office of the gauger, and by driving tacks—one in each corner and one in the middle of each of the four sides of the stamp—making not less than eight in number; and shall cancel the same by writing across the face of the stamp his name and the date upon which the stamp is affixed, and varnish the stamp with a transparent varnish, so as to protect it

from removal or damage by exposure; and shall cut or burn in legible figures, upon the head of each cask, the serial number of the stamp attached thereto, and the date of the payment of the tax. In attaching the stamps, the distiller must be careful to attach each stamp to the cask the serial number of which is given in the stamp.

The marking, branding, and stamping to be as follows:



IX.—ON REMOVAL OF GRAPE BRANDY FROM DISTILLERY TO SPECIAL BONDED WAREHOUSE.

When brandy made from grapes is gauged for removal in bond from the distillery to a special bonded warehouse the gauger will cut on the bung-stave of each cask, on the side of the bung-hole nearest the stamp head, the number of wine-gallons, the proof, and the number of proof-gallons of spirits contained therein.

He will also cut with a die, or burn upon the head of each cask, its serial number, the name of the distiller, the district, the date of removal, the number of proof-gallons, the number of the special bonded-warehouse stamp, and the designation of the warehouse to which the grape brandy is to be removed, and mark or brand thereon the name of the spirits as known to the trade.

This brand may be abridged as follows:

No. 53.
Grape Brandy.
R. S. Garrett, Distiller,
1st Dist., Cal.,
Withd'n Apr. 10th, 1877, P. G. 44,
S. B. W. S. 385.
To S. B. W., 5, 1st Dist., Cal.

The gauger will affix and cancel the special bonded-warehouse stamp, in the same manner as distillery-warehouse stamps are affixed and canceled.

The letters and figures, branded or cut as above specified, are to be in no case less than half an inch in length.

X.—ON WITHDRAWAL OF GRAPE BRANDY FROM SPECIAL BONDED WAREHOUSE, TAX PAID.

When a cask or package of brandy produced from grapes is withdrawn from special bonded warehouse upon payment of the tax on the contents, as shown by the original gauge, the gauger on duty at the warehouse shall, in the presence of the storekeeper, and before the cask or package has left the warehouse, place upon the head thereof, in such manner as to cover no portion of any brand or mark prescribed by law already placed thereon, the tax-paid stamp, indicating the payment of the tax on the spirits in the cask or package, as shown by the original gauge at the distillery; and, at the time of affixing the tax-paid stamp, the gauger shall, in the presence of the storekeeper, cut or burn upon the cask or package the date of the payment of the tax and the

number of the stamp. This brand may be abridged in the following manner:

T. P. Dec. 5th, 1878. Stamp, 79976.

The letters and figures constituting this brand or mark must not be less than half an inch in length. The stamp will be canceled in the same manner as tax-paid stamps affixed to packages withdrawn from distillery warehouse are canceled.

When grape brandy is withdrawn from special bonded warehouse upon payment of the tax under a regauge, in accordance with the provisions of section 17 of the act of May 28, 1880, the gauger will cut on the bung-stave of each cask, on the side of the bung-hole opposite to the stamp-head, the number of wine-gallons, the proof, and the number of proof-gallons contents found by the regauge. He will also affix and cancel the tax-paid stamp, and cut or burn on the head of the cask the number of the tax-paid stamp, the date of the payment of the tax, and the wine and proof gallons contents as then ascertained.

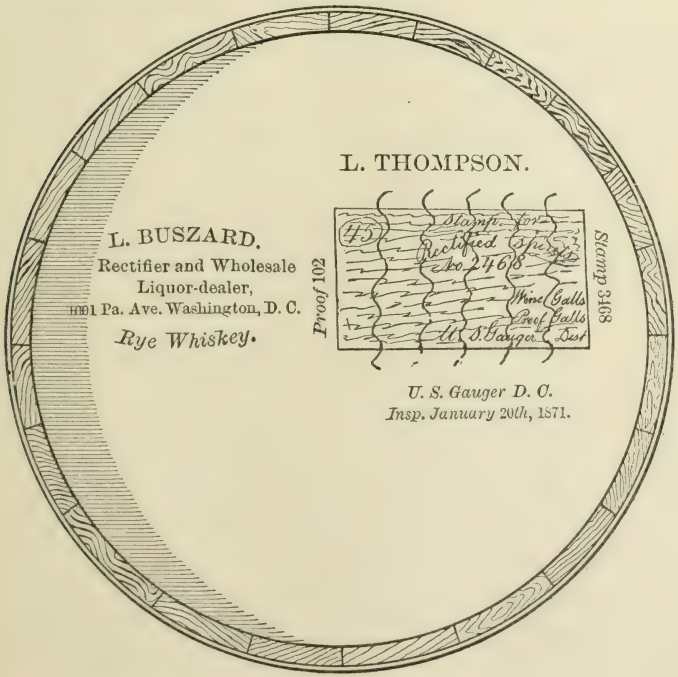
XI.—RECTIFIED SPIRITS.

Spirits subjected to any of the processes of rectification must be put up in casks, inspected and gauged, and, in addition to attaching the stamp for rectified spirits and canceling the same, the gauger will cut upon the bung-stave the number of wine and proof gallons, and mark upon the head of each cask, with a stencil-plate, in durable ink, his name and office, the date of inspection, the particular name of such spirits as known to the trade, the proof, the name and place of business of the rectifier, and the serial number of the stamp for rectified spirits affixed thereto. Where rectified spirits are gauged, the proof of which can not be correctly determined by reason of the addition of saccharine or other matter, but which the hydrometer stem shows to have an apparent proof, the apparent proof will be marked on the head of the casks, preceded by the letters "A. P.," and the wine-gallons only will be cut

on the bung-stave, in the usual manner. The letter "A" will be written on the stamp before the words "Proof-gallons," and the apparent proof-gallons will be entered in the appropriate space.

When spirits are gauged which contain so much saccharine, or other material, that no indication is shown on the hydrometer stem, the gauger will mark the cask or package "No proof," and report the wine-gallons only. This will be done by cutting an "O" where the true per cent. of proof would otherwise appear upon the cask, by writing the wine-gallons upon the stamp and the word "No" before the words "Proof-gallons," and striking out the word "Gallons," so that it will read "No proof."

This mark or brand may be substantially as follows:



So much of the above marks as indicate the name and place of business of the rectifier, and the particular name of the spirits as known to the trade, may be applied by the rectifier, either before or after the casks are filled, in which case, if upon gauging the spirits the gauger finds that the marks thus applied do not correctly represent the facts, he shall cause immediate correction. The above brands or marks will be understood to represent that the package is a rectifier's original package, and that the spirits contained therein were rectified, refined, purified, redistilled, or compounded and put up by the party named as a rectifier, and at the place stated in such brands or marks.

XII.—WHOLESALE LIQUOR-DEALERS.

Under the provisions of the act approved August 15, 1876, the services of gaugers at wholesale liquor-dealers' establishments, for the purpose of gauging, marking, and stamping wholesale liquor-dealers' packages, are not now required, except when special instructions to that effect are issued.

Instructions concerning the duties of wholesale liquor-dealers as to marking and stamping casks of distilled spirits on change of package by them will be found in series 7, No. 7.

XIII.—RETAIL LIQUOR-DEALERS.

Retail liquor-dealers are only authorized to sell in quantities less than five gallons, and no re-inspection or stamping of the package of spirits so sold by them is required.

The spirits which they purchase in packages of five or more wine-gallons must be properly stamped, marked, or branded, and remain in the original casks or packages until drawn off for sale in retail packages, except where it becomes necessary, from leakage or other similar cause, to change the package. Where such change is made to any cask or package containing not less than ten gallons, such

spirits must be again inspected and gauged, and the new package branded in accordance with the provisions of section 3323, R. S.

There is no provision for stamping spirits on the premises of retail liquor-dealers.

AFFIXING, CANCELLATION, AND COVERING OF STAMPS.

By virtue of section 3322, R. S., it is hereby prescribed that the affixing, cancellation, and covering of stamps, including export-stamps, placed on casks or other packages containing distilled spirits, shall be done in the following manner, viz:

Affixing.—The affixing of stamps, other than wholesale liquor-dealers' and fruit distillers', will be done by the gauger, and, when at a distillery, in the presence of the store-keeper.

In attaching the stamps care will be taken to see that the surface of the head of the cask or package where the stamp is to be placed is clean and smooth, and free from any paint or oily substance, or any substance which would have a tendency to cause the stamp to crack or peel off; and that the paste or glue furnished is of the best quality, strong and well mixed, and every way suitable for attaching the stamp to the wood. Transparent varnish, or any other adhesive material which will cause the stamp to stick securely and permanently, may be used for that purpose.

In affixing stamps other than those having a slip of paper attached to the back, one tack will be carefully driven in each corner of the stamp, one in the center, and one in the center of each side, making seven tacks in all.

When attaching the stamps, a portion of which is required to be cut out when the casks to which they are attached are emptied, eight tacks will be used for each stamp, as follows: One to be driven in each of the four corners, one in each side near the middle, and two near the center above and below the portion to be cut out.

The tacks will be carefully selected, and none but those having well-set heads will be used, the size to be governed by the thickness of the head of the package to be stamped. A five-gallon keg will not, of course, bear so large and long a tack as a forty-gallon cask.

The head of the cask to which the stamps, and accompanying marks and brands, are affixed is termed the "stamp head," and the head to be used for this purpose is the one to which the rod is applied in determining the head diameter. When both heads are measured either may be taken as the stamp head.

No marks, brands, caution notices, or other devices whatsoever, will be permitted on the "stamp head" which will in any manner cover, obscure, or interfere with the stamps, marks, and brands required to be affixed by law and regulations, which latter must all be put on the stamp head, leaving the other head to be used by the owner.

See instructions as to "TRADE MARKS AND CAUTION NOTICES" on page 74.

Cancellation.—The stamp having been affixed, it must immediately be canceled. For this purpose the gauger will use a stencil-plate of brass or copper, in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch beyond each side of the stamp, on the wood of the cask; and the name of the gauger must be cut on one end of the plate, and his title, viz, "U. S. Gauger," and district on the other end, perpendicular to the lines. This plate must be imprinted, with black durable coloring material, over and across the stamp, as indicated, and the stencil-plate will be so set as to bring the five parallel waved lines across the stamp at such points as will least obscure the reading, and the coloring material will be so applied with the brush as to make these lines distinct, without blotting or spreading over the stamp. The stencil-plates, with the edges of the cuttings of the lines, letters, and figures, will be kept clean, and the

coloring material will be carefully examined to see that it is of a quality which will flow readily without spreading and will make a distinct and durable mark.

Covering.—The stamp having been affixed and canceled, it must be immediately covered with a coating of transparent varnish or other substance. Any transparent varnish or other similar substance may be used for this purpose. No varnish will be used which is not transparent, or which is oily enough to affect in the least the paste on the stamp.

Parties for whom spirits are gauged are required to furnish all the help needed to handle the cask or package; to furnish the paste or glue, tacks, varnish, paint or coloring material, brushes, stencils, branding-irons, vessels, and every necessary facility for the preparation of the cask or package to be put upon the market, except the instruments for weighing and gauging the spirits. The above requirement as to supplying "stencils" is not to be construed as applying to the gauger's canceling stencil, bearing his name, title, and district, as this must be provided by the gauger, and kept continually in his possession. The gauger being authorized to require all this, and to receive from the Government his fee for the work performed, he is in turn held responsible that when the cask or package leaves his hands the legal preparation for marketing is every way complete.

Stamps may be tacked and varnished by a person other than the gauger, under the direct personal supervision of the gauger.

GENERAL INSTRUCTIONS TO INTERNAL-REVENUE GAUGERS.

Section 3316, United States Revised Statutes, imposes very heavy penalties upon revenue officers who shall issue stamps to any person, or who shall affix or cancel stamps in any place or in any manner, other than as provided by law or regulations; and it behooves gaugers to know that parties

for whom they stamp casks or packages are authorized to have them stamped, and that the stamp affixed and canceled by them is the one provided by law for the special spirits contained in the cask or package to which it is attached, *i. e.*, that it correctly represents the kind, strength, and volume of such spirits.

Section 3324 of the Revised Statutes requires, at the time of emptying of any cask or package containing distilled spirits, the effacement and obliteration of any mark, brand, or stamp placed on the cask or package in conformity to law.

Before proceeding to gauge casks or packages when filled for entry into distillery warehouse, or to determine the proof of their contents, gaugers will require the removal or obliteration of all marks or brands on the casks or packages indicating dimensions, volume, or proof, whether the same shall have been made by a Government gauger, a commercial gauger, or by any other person.

Gaugers will not permit distillers, or other persons, to alter or change the volume or proof of the spirits in casks or packages after they commence to gauge the same; nor are gaugers permitted to gauge packages while empty; nor to determine the proof of spirits before the same are placed in casks or packages, and turned over to the gauger for the official gauging and stamping.

In gauging and weighing distilled spirits, gaugers will confine themselves to finding the true volume and proof of the spirits contained in the packages after being filled; to putting the required marks and stamps upon the packages; to making out the required reports; to the proper supervision and custody of the cistern-room; and to seeing that the packages gauged and weighed by them are deposited in the distillery bonded warehouse, in charge of the storekeeper.

Gaugers are not permitted to fill casks, or adjust wantage, or proof.

Gaugers will carefully examine the make and condition of each cask gauged by them, and any departure from the usual form and style will be made the subject of strict inquiry. Such variation may be found in the undue thickness of the bung-stave, or a projection in opposite staves beneath the bung, or an oval shape, making a greater diameter in the transverse to the bung-diameter than the bung-diameter.

Gaugers will not be permitted to make any greater allowance for the thickness of the heads of casks gauged by them than the allowance made by the combination gauging-rod (three-fourths of an inch) unless specially authorized; and when so authorized they will make frequent examination of the heads, by boring and otherwise, in order to determine as to their actual thickness. In all instances where a greater allowance is made for the thickness of the heads than the allowance made by the standard gauging-rod, the gauger will mark on the heads of the casks, in a legible manner, the words, "*Head* —— *inch thick*," inserting in the blank the actual thickness of the head, in inches and tenths.

In taking the length of twenty-gallon packages or less, an addition of one-half inch to the caliper measurement will be made, unless the gauger knows that such packages have heads of at least three-fourths of an inch in thickness. Thus, if the caliper shows 19.4 inches the length will be called 19.9 inches.

Gaugers will decline to gauge casks or packages having a capacity not exceeding twenty gallons, wine measure, and containing spirits the temperature of which has been artificially changed, until the spirits have either reached a point varying not more than 10° Fahr. from the standard temperature of 60° Fahr. or a point varying not more than 5° Fahr. from the existing temperature of the open air.

Gaugers inspecting and weighing spirits drawn from receiving-cisterns, rectifying-vats, or tanks, or from any large vessel into smaller ones, will determine the proof of the spirit in each cask into which it is drawn, and in no instance

will they mark the average proof of the spirits found in the large vessel upon the small vessel.

Gaugers are strictly prohibited from cutting or marking the wine-gallons, proof, or proof-gallons upon any cask or package when empty. They are also forbidden to cut or mark the proof or contents upon any cask when filled until they have determined the same by the use of the United States standard instruments. They are specially enjoined to keep their instruments in good condition, and to carefully note any variations in the indications, and to report to their collector at once any suspicion of inaccuracy. Any discrepancy in the gauge or proof of spirits shipped from the place of original gauge which can not be satisfactorily accounted for is taken as evidence of fraud, and renders the package liable to seizure.

Gaugers are especially directed to *personally* gauge the packages, and determine the volume and the true per cent. of proof of their contents. They will also with their own hands put upon each cask or package gauged by them all the marks, brands, and stamps required by law and regulations, and see that in all respects each cask or package is in a condition to be put upon the market without being subjected to detention or seizure. Under no circumstances will gaugers be permitted to delegate these duties to an assistant. So much of the distiller's special brand, however, as is permitted to be put upon the casks prior to being filled at the cisterns, may be cut or burned, and the particular name of the spirits, as known to the trade, may be marked or branded, and the stamps tacked and varnished by another person. In case of spirits put up by a rectifier, the particular name of the spirits, as well as the name and place of business of the rectifier, may be marked or branded by the rectifier.

The performance of these duties, however, will be under the direct personal supervision of the gauger, who will be

held responsible for the accuracy and correctness of the duties thus performed.

Section 3290, United States Revised Statutes, prohibits gaugers from employing any owner, agent, or superintendent of any distillery or distillery warehouse, or any rectifier or wholesale liquor dealer, or any person in their service, "to use his brands, or to discharge any of the duties imposed upon him by law," and imposes severe penalties for such dereliction of duty.

Attention must be given not only to place all the marks, brands, and stamps required upon each package, but to have the marks, brands, and the wording of the stamp legible.

In all cases where spirits are inspected and gauged, the number of wine and proof gallons must be cut upon the bung-stave.

Gaugers are required to exercise special care in gauging and weighing spirits, in order that no more of the spirits may be spilled than can possibly be avoided; and in all cases they will return the spirits used in the test-cup, or remaining in the thief, to the same cask from whence they were taken.

Any wastage of spirits occurring in gauging and proving which can not be avoided, such as drippings from the gauging-rod in ascertaining the bung-diameter, from the wantage-rod in determining the wantage, or from the test-cup in weighing the spirits, will not be noted nor considered in determining the quantity gauged.

In filling up stamps for distilled spirits gaugers will use one of the kinds of ink prescribed for such purpose by this office.

Section 3292, Revised Statutes, provides that "every gauger who makes any false or fraudulent inspection, gauging, or proof shall pay a penalty of one thousand dollars, and be fined not less than five hundred dollars nor more

than five thousand dollars, and imprisoned not less than three months nor more than three years."

Gaugers should familiarize themselves with the several clauses of section 3169, Revised Statutes, and especially with the ninth, which imposes a severe penalty upon any revenue officer or agent who, having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report in writing such knowledge or information to his next superior officer and to the Commissioner of Internal Revenue.

The gauger will make frequent examinations of the rectifier's books, with a view of satisfying himself that all the packages emptied in the establishment have been properly reported to the collector.

Gaugers are prohibited by section 3168, Revised Statutes, under penalty of dismissal from office, and a heavy fine, from being or becoming interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, or in the production, rectification, or redistillation of distilled spirits, or in the production of fermented liquors

Gaugers will not be permitted to be, or to become, interested, directly or indirectly, in the purchase or sale of distilled spirits, or fermented liquors.

Any gauger found to be so interested will be recommended for summary dismissal from office.

With the consent of collectors, gaugers are permitted to engage in any business, except as above, including gauging other than that performed in their official capacity, provided that such business or gauging does not, in the least, interfere with the efficient discharge of their official duties.

In the performance of commercial gauging, however, the prescribed United States standard instruments must be used, and the regulations governing official gauging in the ascer-

tainment of the volume and proof of distilled spirits must be strictly observed.

Reports of such unofficial gauging must not be signed by gaugers in their official capacity.

When two or more gaugers are assigned to duty at one place, each must take a portion of the work, and perform the entire gauging, proving, branding, marking, and stamping of each cask or package to which his canceling-stencil is applied.

Gaugers are made the custodians of the receiving-rooms at distilleries, and are held responsible for the safe-keeping of the spirits run into the receiving-cisterns until drawn off by them and delivered in proper manner into the custody of the storekeeper at the distillery bonded warehouse, so far as any loss may be reasonably guarded against, and under no circumstances will they intrust the key to the lock on the door of the receiving-room to any person other than the collector of the district; and they are enjoined not to admit any person into the receiving-room except in their presence.

Gaugers and "storekeepers and gaugers" are especially directed to have all points about the distillery premises under their control secured as required in the regulations (Series 7, No. 7), and under all circumstances to keep locked all points requiring locks, except when present at that particular place.

They are also strictly prohibited from intrusting locks, keys, or seals in their charge to any person other than an internal-revenue officer entitled to receive the same, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.

Gaugers should make themselves thoroughly conversant with the regulations governing the marking, branding, and stamping of the several kinds of packages of distilled spirits, in order that they may intelligently discharge the duty thus enjoined upon them.

TRADE-MARKS AND CAUTION NOTICES.

Section 17 of the act of February 8, 1875 (section 3316 a, Compilation of 1879), provides "That if any person shall affix, or cause to be affixed, to or upon any cask or package containing, or intended to contain, distilled spirits, any imitation stamp or other engraved, printed, stamped, or photographed label, device, or token, whether the same be designed as a trade-mark, caution notice, caution, or otherwise, and which shall be in the similitude or likeness of, or shall have the resemblance or general appearance of, any internal-revenue stamp required by law to be affixed to or upon any cask or package containing distilled spirits, he shall, for each offense, be liable to a penalty of one hundred dollars, and, on conviction, shall be fined not more than one thousand dollars, and imprisoned not more than three years, and the cask or package with its contents shall be forfeited to the United States." With reference to this provision of law gaugers are informed that they are prohibited from applying their canceling-plate to any caution notice, trade-mark, or similar device which may be attached to casks or packages containing distilled spirits.

COMPLIANCE WITH THESE REGULATIONS ENJOINED.

Collectors will furnish internal revenue gaugers and storekeepers and gaugers with a copy of these regulations and instructions, and any neglect or failure to comply with the same on their part will be deemed sufficient cause for immediate dismissal from office.

REGULATIONS INCONSISTENT HEREWITH REVOKED.

All regulations and instructions heretofore published inconsistent with these regulations are revoked from this date.

JOS. S. MILLER,
Commissioner.

Shapes of Casks.

Fig. 1.

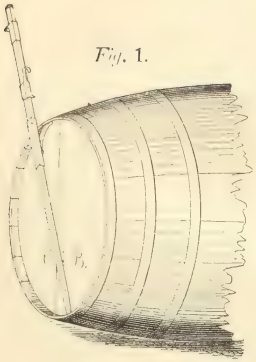


Fig. 2.

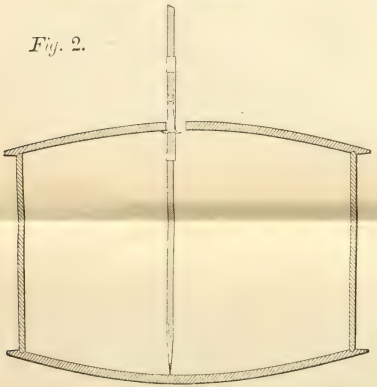


Fig. 3.

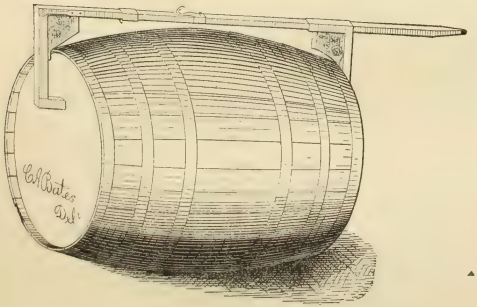


Fig. 4.

7,11,27

(Series 7, No. 11—Revised.—Supplement No. 1.)
UNITED STATES INTERNAL REVENUE.

GAUGERS'

WEIGHING MANUAL,

EMBRACING

REGULATIONS AND TABLES

FOR

DETERMINING THE TAXABLE QUANTITY OF DISTILLED SPIRITS BY WEIGHING.

JANUARY 26, 1892.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1892.

TREASURY DEPARTMENT,

Document No. 1449.

Internal Revenue.

55277

REGULATIONS

FOR

DETERMINING THE TAXABLE QUANTITY OF DISTILLED SPIRITS BY WEIGHING.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, D. C., January 26, 1892.

Under the provisions of section 3249 of the Revised Statutes of the United States, for the prevention and dectection of frauds by distillers of spirits, the Commissioner of Internal Revenue is empowered to prescribe such hydrometers, weighing and gauging instruments, or other means for ascertaining the strength and quantity of spirits subject to tax as he may deem necessary. Also to prescribe rules and regulations to secure a uniform and correct system of inspection, weighing and gauging of spirits.

By virtue of said provisions, and in the exercise of the authority thus conferred, as a means of the prevention of fraud, as well as of insuring greater accuracy, weighing by the use of scales is hereby prescribed for the official determination of the number of gallons of spirits in casks or packages, concurrently with the continued partial use of the gauging rod and wantage rod heretofore prescribed.

United States gaugers, and persons holding commission as "storekeeper and gauger," and on duty as such, will be supplied with weighing beams and appliances, as herein

provided, and will thereafter use the same exclusively—except as directed below—for the official determination of the contents of casks or packages of spirits.

Until otherwise directed, the standard gauging rod and wantage rod may be used by the officers mentioned, solely for ascertaining the wine gallons contents of packages as enumerated in the four following paragraphs.

1. On regauging casks or packages of spirits which had their contents placed therein prior to the date on which these instructions go into effect, and which, consequently, did not have their weight determined and marked when filled.

2. At all fruit distilleries where the production is so limited as not to require the attendance of a gauger at least twice a week during the season when in operation. (All fruit distilleries producing 10,000 gallons of brandy annually, or above, should be visited by a gauger at least twice a week during the season.)

3. At the establishments of rectifiers rectifying less than 500 barrels of spirits a year, counting 40 proof gallons to the barrel.

4. For ascertaining the contents of casks or packages of rectified spirits which contain saccharine matter or other material, to such an extent as to prevent the hydrometer from indicating the true per cent of proof.

In such latter cases, however, the gauger, when on duty at a place where weighing is required, will enter, on his return, the words "Sweetened Spirits."

WEIGHING BEAM.

Fairbanks's weighing beam has been adopted for use in pursuance of these regulations, and will be procured and used as directed herein.

Accompanying each beam are two poises (one of 8 pounds and one of 16 pounds), a set of barrel hooks, and a coun-

terpoise to the barrel hooks. This combination will be termed a "weighing beam complete." On each side of the beam is a double set of figures, the upper one indicating the reading in pounds of the 8-pound poise—in which case each notch represents one-half pound—and the lower set of figures indicating the reading of the 16-pound poise, each notch on the beam representing, in this instance, 1 pound. Thus, for example, if the larger poise rests in the "300" notch in the lower row of figures and the small poise in the seventh notch beyond the "50" in the upper scale, the total weight is $300 + 53\frac{1}{2} = 353\frac{1}{2}$ pounds.

It will be found convenient to determine the sum total indicated by both poises if the large poise be allowed to remain continually in a notch indicating a number of pounds divisible by 10, as in the above example.

Thus, where the weight of a barrel and its contents range from, say 300 to 440 pounds, the large poise can rest continuously in the 300-pound notch, and the addition thereto of the weight indicated by the small poise is thereby facilitated.

PROCUREMENT OF WEIGHING BEAMS, ETC.

Weighing beams, poises, and barrel hooks for use of internal revenue officers, as directed herein, will be supplied at the expense of the Government, but the means for anchoring and suspending casks when weighed must be provided by parties for whom spirits are inspected.

Collectors are expected to exercise due economy in making requisition for weighing beams and appliances, and to refrain from applying for such instruments in excess of present actual requirements of the service, as set forth herein.

Care will be particularly exercised to see that all beams in the district are in actual use prior to making requisition for additional ones.

In making requisition for weighing beams complete, collectors will state the particular place, or places, at which beams are required, and the number of gauging officers assigned to each place.

In the event that several gaugers are on duty at the same distillery, or rectifying house, it is quite probable that each one will not require a weighing beam. In all instances, therefore, where requisition is made for more than one weighing beam for use at any distillery or rectifying house, the collector will state in such requisition the number of gaugers on duty thereat, as well as the average number of packages inspected daily at each place.

Immediately upon receiving weighing beams, etc., the collector will receipt for the same to the Commissioner of Internal Revenue, and state their condition on reception.

The number of "weighing beams complete" received will be taken up as such and duly returned on Forms 152 and 289. Until said forms are modified the entry of weighing beams and appliances will be made thereon in a separate item, and officers having beams in possession will be held to the same responsibility therefor, and required to duly account for such property, as provided in case of Government hydrometers.

EXTRA SETS OF POISES AND BARREL HOOKS.

Should a gauging officer be assigned to more than one place where weighing is required under the provisions herein recited, extra sets of poises and barrel hooks will be supplied for retention at the most important of such places when it is shown that a saving of transportation of the weighing beam proper would thereby be effected.

Extra appliances as above will, however, be furnished for retention only at houses where their use is frequently required.

Collectors making requisition for extra poises and barrel

hooks will, therefore, state explicitly the necessity for the same, designating the distillery or rectifying house at which they are to be retained, and the probable number of monthly visits which the gauger will be required to make at each.

"Extra sets of appliances," supplied as above, will be receipted for and duly returned as such in the same manner as weighing beams complete, and gaugers having charge of the same will be held responsible therefor, and expected to see that they are kept in some place where not likely to be subjected to misuse.

EXAMINATION OF WEIGHING BEAM.

Before proceeding to weigh, on any occasion, the officer will carefully examine the weighing beam to be assured that the same is in good condition. Care will be particularly exercised to see that the beam is properly adjusted and that it balances perfectly with the barrel hooks and counterpoise attached. The accuracy of the beam will also be tested each day by weighing the 16-pound poise by the use of the 8-pound poise.

EXAMINATION OF CASKS BEFORE WEIGHING.

Officers are required to examine each cask or package before weighing the same empty, and will not inspect any package which is not thoroughly dry, or which contains or has on its exterior any substance which will prevent the correct ascertainment of the tare of the cask.

WEIGHING CASKS OF SPIRITS ON ENTRY INTO DISTILLERY WAREHOUSE.

The weight of the empty cask will be determined immediately preceding the filling of the same in all cases, and the tare of a number of casks may be ascertained and marked before any are filled, but not exceeding the number which are to be filled before the gauger leaves them.

READING OF SCALE.

Pains will be taken at all times to note the correct reading of the scale to the half pound, and, in case of doubt as to which notch shall be read, the cask will be allowed to preponderate.

MARKING BUNG STAVE.

The tare or weight of the empty cask having been thus ascertained, the same will be immediately and durably cut, in pounds and half pounds, upon the bung-stave of the cask on the side of the bung-hole nearest the stamp-head. In case the cask has been previously used, the letter "R" (signifying reused) will be cut directly before the figures indicating the tare. As soon as the cask or package has been filled its gross weight, also in pounds and half pounds, as well as the true proof of its contents, will be carefully ascertained.

The gross weight thus determined will also be legibly cut upon the bung stave immediately above the tare, and beneath the latter the difference between the two—that is, the net weight, and directly beneath this latter, in the order named, will be durably cut the actual wine gallons, the proof, and the proof gallons contents.

In all instances the required marks on the bung staves of casks will be cut in legible and durable characters.

The above instructions as to weighing casks of spirits and marking the bung staves thereof will be fully observed hereafter in all cases where gaugers are called upon to weigh spirits at the time the same are placed in the casks.

MARKING AND BRANDING HEADS OF CASKS.

The existing regulations in the Gaugers' Manual, as to marking, branding, and stamping the heads of casks, will be observed in all instances.

DETERMINATION OF NET WINE GALLONS AND PROOF GALLONS.

After having determined the net weight and proof of the contents of the cask, its actual wine gallons and proof gallons contents may be found by reference to the subjoined "Table No. 1."

In case, however, the net weight or proof of the contents of the cask should be other than shown in the table, the wine gallons contents may readily be ascertained by reference to Table No. 6 of the Gaugers' Manual. (Edition of 1891.)

To the full instructions which immediately precede said table it might be added that the fractional part of a wine gallon represented by a half pound may be determined by removing the decimal point three places to the left in the column of 1,000 pounds, opposite to the indicated per cent of proof, and dividing the number thus changed by 2. Thus 1,000 pounds of spirits of, for example, 98 proof are found on page 513 of the Manual to equal 128.2 wine gallons. It follows that one pound equals .1282 of a gallon, and one-half pound, .0641 of a gallon. (See instructions as to "Extension of Table No. 6 in the Gaugers' Manual," on page 16 herein.)

CORRECTION OF VOLUME.

As the number of net wine gallons at 60° F. is found from the weight and strength of the spirits, no correction of volume is required in the determination of the wine gallons *contents* by weighing. (See as to "Ascertainment of the Capacity of Casks," on page 14.)

WEIGHING CASKS OF SPIRITS ON WITHDRAWAL FROM DISTILLERY WAREHOUSE.

Whenever a reinspection is made of spirits in bonded warehouse, which were weighed in accordance with these

regulations, when placed in bond, the weight of the cask with its contents will be again carefully determined, as well as the present proof of the spirits.

The gross weight, in pounds and half pounds, thus ascertained will be legibly cut on the bung stave of the cask on the side of the bunghole opposite to the stamp head; and beneath the gross weight, in the following order, the present weight of the empty cask (see instructions herein under the heading of "Soakage or Absorption"), the net weight in pounds and half pounds (that is, the difference between the present gross weight and the present tare of the cask), the present actual wine gallons thus determined, the proof of the spirits, and the proof gallons contents thus found.

FRUIT BRANDY.

When fruit brandy is first inspected at fruit distilleries where weighing is required, the gauger will pursue the same course as to weighing the spirits and marking the bung stave as directed herein under the heading of "Weighing Casks of Spirits on Entry into Distillery Warehouse."

Upon reinspection of fruit brandy, previously weighed, for removal from special bonded warehouse, the same will be again weighed and marks cut on the bung stave in accordance with the foregoing instructions under the heading "Weighing Casks of Spirits on Withdrawal from Distillery Warehouse."

INSPECTION OF SPIRITS BEFORE RECTIFICATION.

Whenever gaugers are called upon to inspect casks of spirits for dumping for rectification, where weighing is required, the casks, with contents previously weighed, will again be carefully weighed in pounds and half pounds, and the proof of the spirits ascertained.

Where the gauger has no assignment other than to the

rectifying house where the weighing is performed or whenever the spirits are to be immediately dumped for rectification, the present tare will be determined by weighing the package after the same has been emptied. In other instances the present tare, upon inspection of spirits for rectification, will be determined as directed under the heading "Soakage or Absorption," on page 12, herein, and will be deducted from the gross weight as thus found, and the resulting net weight, taken in connection with the present proof, will serve as the basis for the determination of the present contents in wine gallons and proof gallons, which are to be reported under the head of "Return of Spirits Gauged," on Form 122. (See instructions hereinafter under the heading "When Compounding is Performed in Original Packages.")

INSPECTION OF RECTIFIED SPIRITS.

Whenever an inspection is made of spirits upon completion of the process of rectification at rectifying houses at which spirits are required to be weighed, as indicated, the casks or packages in which the same are to be placed must be carefully weighed, while empty, by the gauger, and the weight, in pounds and half pounds, will be by him immediately and legibly cut on the bung stave on the side of the bunghole nearest the stamp head, observing the rule given on page 8 as to reused casks. After the rectified spirits have been placed in the cask the gross weight and proof of the contents will be carefully ascertained. The gross weight thus determined will be legibly cut on the bung stave immediately above the weight of the empty package or cask, and beneath the latter will be durably and legibly cut the following in the order named: The net weight, the actual wine gallons, the proof, and proof-gallons contents.

WHEN COMPOUNDING IS PERFORMED IN THE ORIGINAL PACKAGES.

Whenever the spirits are not actually emptied for rectification at houses where weighing is required, the compounding being performed in the original package, it will, of course, be impracticable to weigh the empty package at the time of affixing the rectifier's stamps. In such cases, therefore, the rectifier will efface and obliterate the marks on the bung staves of the packages immediately after the spirits have been weighed for rectification and the portions of the stamps have been cut out as required by regulation, leaving the marks and stamps with slips cut out upon the head until the rectification is completed. As soon as the marks have thus been removed from the bung stave, the gauger who weighed the spirits for rectification will cut thereon, in the proper place, the present tare of the package as then determined and returned on Form 122.

The gauger who weighs such constructively dumped spirits after rectification will cut the gross weight immediately above the tare placed on the bung stave, as above directed, and beneath the latter, in the following order, will be durably and legibly cut the resulting net weight, the actual wine gallons, the proof, and the proof-gallons contents.

SOAKAGE OR ABSORPTION.

Instructions regarding the soakage into or absorption of spirits by wooden packages, with a schedule of the estimated quantities of spirits in pounds, taken up by the packages and their consequent gain in weight will be issued at the same time with these regulations, and the quantities so estimated in said schedule are hereby prescribed for use by gaugers until otherwise ordered, in finding and determining the tare of packages reinspected by them, in cases where it is impracticable to then determine by weighing the exact weight of the empty packages.

Whenever packages of spirits which were weighed when filled are reinspected by weighing, without emptying the package, the tare at such reinspection will be determined as follows:

To the marked tare will be added the gain in weight by soakage estimated in said schedule for packages of that class for the period the package has been filled, and the sum in pounds will be the present tare, and be so marked and reported. If, however, the package had previously been used when filled and the tare then marked "R," as required, the tare thus marked on the cask will be accepted and taken as the tare on reinspection and so reported. It should be borne in mind, in this connection, that the allowance for loss of spirits while in warehouse, whether by soakage, evaporation, or otherwise, must in no instance exceed that provided in section 17 of the act approved May 28, 1880. (Section 3294*a*, Internal Revenue Compilation of 1889.)

REUSE OF PACKAGES, WANTAGE, AND TEMPERATURE OF SPIRITS.

The restriction contained in Circular No. 336 of August 12, 1889, as to refilling, at distilleries, casks or packages previously filled at the same distillery, will not be held to be applicable to wooden casks or packages whose contents are determined by weighing, as herein provided.

The regulations as to "Wantage in small packages at distilleries," on page 23 of the Gaugers' Manual (edition of 1891), and those on page 60 relating to the temperature of spirits at time of inspection, will also be held not to apply in cases where the spirits are regularly weighed.

REPORTS.

Until forms are received which are expressly adapted for use in reporting the results of weighing spirits, officers so reporting will use the forms at present provided, chang-

ing the headings thereon as follows and making entries accordingly.

The column for "Length" will be headed "Gross weight," that for "Mean diameter" will be changed to "Tare," and the columns "Wantage" and "Correction of vol." will be utilized as one, in which will be entered "Net weight," and the heading changed accordingly.

ASCERTAINMENT OF THE CAPACITY OF CASKS.

Should a gauger have occasion to determine the *capacity* of a cask or package by weighing, he will weigh the same when *full* and make the correction of volume in inverse order; that is to say, add to the contents when the temperature of the spirits is above the prescribed standard of 60° F., and subtract when below 60°.

The reason for this will be apparent when it is considered that when a cask is weighed full of spirits, having a temperature of, say, 95° F., the said cask will not be full when the temperature of the spirits declines to 60° (owing to the contraction which occurs by reason of the fall in temperature), although the weight of the spirits will be the same as when weighed in the higher temperature.

This shows that the weighing did not determine the capacity of the cask, but merely its contents at 60° F., and that a certain percentage (shown in the right-hand column of Table No. 5 of the Gaugers' Manual) should be added to or subtracted from the apparent capacity, as the case may be, to show the actual capacity; that is, the number of gallons which the cask will hold when the temperature of the spirits is at 60°.

To illustrate: If a barrel of spirits having an indication of 196, and a temperature of 95° is found when full to have a net weight of 325½ pounds, the wine gallons contained therein would be 47.66, while the capacity of the cask would be 48.66+, the computation being as follows: $.14641 \times 325\frac{1}{2} = 47.656455$, called 47.66 gallons; 47.66×21 (the

given correction) =1.00+, and 47.66+1.00=48.66+. When the temperature of the spirits is below 60° F., the indicated correction of volume should, of course, be subtracted from the net wine gallons contents, arrived at by weighing, in order to determine the actual capacity of the cask.

TABLE SHOWING WINE GALLONS AND PROOF GALLONS BY WEIGHT.

The true per cent proof, and the weight, in pounds and half pounds, of the contents of a package of spirits having been determined, the actual contents thereof in wine gallons and proof gallons will be found in Table No. 1 herein, opposite the number of pounds and beneath "Gallons," on the page showing the indicated per cent of proof.

Should the weight or proof of the contents be found other than shown in this table the wine gallons contents may readily be determined by reference to Table No. 6, "For finding the number of gallons at 60° F. from the weight and strength of spirituous liquor," in the Gaugers' Manual.

Thus, if the contents of a package of spirits are found to weigh, for example, 424½ pounds, and the proof thereof is 101 the wine gallons contents thereof are found to be 54.59.

Following the instructions immediately preceding said Table No. 6, the result is arrived at as follows: The equivalent of one-half pound being found by removing the decimal point in the number representing the quantity contained in 1,000 pounds (128.59) three places to the left, which gives the quantity in 1 pound (.12859) and dividing this by 2, equals .064295.

	Gallons.
400 pounds equal to	51.44
20 pounds equal to	2.572
4 pounds equal to	.5144
½ pound equal to	.064295
424½ pounds equal to	54.590695

Or, the result may be arrived at by multiplying the equivalent of 1 pound by the number of pounds. Thus, $.12859 \times 424.5 = 54.586455$ called, as before, 54.59 gallons, the fractions being carried out at their true value in the latter instance.

Fractions will be retained in the final result to two decimal places, the rule for their treatment being as follows:

A fraction of five-thousandth (.005) or less, will be dropped, and any fraction exceeding a five-thousandth will be called one-hundredth (.01). Thus, 44.605003 gallons should be treated as 44.61 gallons. In case, however, the number is 44.605000 it should be called 44.60 gallons.

It will be observed in the following table that in some instances there is a discrepancy of one-hundredth of a gallon between the number entered in the proof gallons column, and the result which is reached by multiplying the adjacent wine gallons by the particular per cent of proof given.

This apparent discrepancy is occasioned by the fact that in the computation of the proof gallons, indicated in the table, the wine gallons are taken at their full value, all decimals being retained.

To illustrate: Following the rule given above, 71 pounds of spirits of 174 per cent proof equal 10.1033 wine gallons called and entered in the table as 10.10 wine gallons.

Multiplying this number of gallons by the proof (174) and the product is 17.574 proof gallons, called 17.57 under the rule, instead of 17.58, given in the following table.

In case, however, the full number of wine gallons (10.1033) be multiplied by the proof, the result is 17.579742 proof gallons, called 17.58, being the number indicated in the table.

EXTENSION OF TABLE No. 6 IN THE GAUGERS' MANUAL.

As the wine gallons by weight and strength of spirits are not given in Table No. 6 of the Gaugers' Manual for the

odd per cents of proof below 100, said table has been extended so as to include all per cents of proof from 50 to 100, and so much of said table as has been thus interpolated is inserted hereinafter for the convenience of officers who have occasion to weigh spirits which are below proof. (See Table No. 2.)

For the information of any officer who may desire to determine by weight the wine gallons of spirits of odd proofs below 50 per cent, the rule by which said Table No. 6 is computed is given as follows:

Multiply the weight of 1 gallon of water at 60 Fahrenheit—taken as 8.3314 pounds avoirdupois—by the specific gravity of the spirits in question, and the product will equal the number of pounds in 1 gallon of the given spirits. Divide a given number of pounds of spirits by the weight of 1 gallon, as above determined, and the quotient will be the number of gallons thereof. Thus, for example, if it is desired to determine the number of gallons in 1,000 pounds of spirits of 139 per cent proof, multiply 8.3314 by .89129—the specific gravity of the spirits found by reference to Table No. 7 of the Gaugers' Manual—the product (7.4256935+) divided into 1,000 gives 134.667+ gallons, called 134.67.

PRESENT REGULATIONS CONTINUED IN FORCE.

The instructions contained in the Gaugers' Manual are not superseded by those contained herein, but continue in force so far as is consistent with these regulations.

JOHN W. MASON,
Commissioner.

(Series 7, No. 12, Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

FOR THE OBSERVANCE OF

REVENUE OFFICERS, DISTRICT ATTORNEYS, AND MARSHALS,

AND AS TO DUTIES OF

CLERKS OF U. S. COURTS,

RESPECTING CASES ARISING UNDER THE INTERNAL-REVENUE LAWS,

IN WHICH

THE UNITED STATES IS A PARTY,

AND

RESPECTING THE CUSTODY AND DISPOSITION OF REAL ESTATE ACQUIRED BY THE UNITED STATES UNDER THOSE LAWS.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

TREASURY DEPARTMENT,
Document No. 1303.
Internal Revenue.

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REGULATIONS

RESPECTING

CASES ARISING UNDER THE INTERNAL-REVENUE LAWS, AND OTHER MATTERS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, April 15, 1890.

Section 3215, Revised Statutes, provides that—

It shall be the duty of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to establish such regulations, not inconsistent with law, for the observance of revenue officers, district attorneys, and marshals, respecting suits arising under the internal-revenue laws in which the United States is a party, as may be deemed necessary for the just responsibility of those officers and the prompt collection of all revenues and debts due and accruing to the United States under such laws.

In pursuance thereof, the following regulations have been established by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury:

UNITED STATES DISTRICT ATTORNEYS.

On assuming the duties of their office, all United States attorneys will immediately advise the Commissioner of Internal Revenue to that effect. They will each, at the earliest practicable period, obtain from their respective predecessors in office the books and other property of the United States in their hands.

If for any reason they are unable to obtain the same, the Commissioner should be notified.

DOCKETS AND BOOKS.

Unless already furnished with them, each district attorney will procure a well-bound docket and letter-book, labeled as follows: "The property of the United States"—"Internal-Revenue Cases," each being provided with a suitable index.

These books will be carefully preserved, and handed to the successor of such officer. Full and minute entries will be made in these dockets

of the time of issuing and receiving papers and process, and of whatsoever is done by said officers in United States internal-revenue cases of all kinds, with correct dates; and in keeping their dockets, district attorneys should use the court numbers of each case.

The letter-book will contain full and true copies of all letters written by them officially, concerning internal-revenue suits, or matters relating thereto, in which the United States are interested.

All official letters relating to cases under the internal-revenue laws, received by district attorneys, will be preserved as public property, and delivered to their successors. Whenever such letters accumulate sufficiently to make a volume the officer having them in possession will cause the same to be indexed and bound according to their dates.

All papers and documents used by, or coming to the possession of, any district attorney, during the progress of a suit, and relating thereto, must be properly filed and kept in a bundle with the other papers relating to the cause, and delivered by him to his successor.

The Internal-Revenue Record will be sent to district attorneys for their official use.

At the expiration of the term of service of any person having copies of the Internal-Revenue Record in his possession, he should deliver his entire set of the same to his successor, they being a part of the official records of the district and not private property.

DOCUMENTS IN INTERNAL-REVENUE CASES TO BE KEPT SEPARATE.

Documents, books, and papers relating to internal-revenue cases, coming into the possession of district attorneys and marshals, must be kept separate and distinct from those relating to other cases and matters in which the United States are interested.

RESPECTING SUITS FOR TAXES, PENALTIES, FORFEITURES, ETC.

No suit will be brought for the recovery of unpaid internal-revenue taxes until the collector of the district shall have submitted to the Commissioner of Internal-Revenue a full report of all material facts and circumstances connected with the case, and shall have received from him express authority to report the case to the United States attorney for suit. (Section 3214, R. S.)

Where a bond has been given to secure the payment of the taxes for which suit is proposed, the collector should report the date and penal sum of the bond, and state whether there is reasonable expectation, founded upon careful inquiry, that collection of a judgment on such bond, when recovered, could be effected.

In cases where such a bond has been given, collection will in all cases be made by distraint if possible, and when that remedy has been exhausted, proceedings will then be commenced upon the bond, if, in the opinion of the district attorney, there is reasonable ground for belief that the action could be successfully prosecuted, and that the Government would realize more than the costs of proceedings.

If the district attorney thinks it is not advisable to commence such suit, he should report the facts to the Commissioner for instructions.

It is the duty of every district attorney (section 838, Revised Statutes) to whom any collector of internal revenue shall report, according to law any case in which any fine, penalty, or forfeiture has been incurred in the district of such attorney for the violation of any law of the United States relating to the revenue, to cause the proper proceedings to be commenced and prosecuted without delay for the fines, penalties, and forfeitures in such case provided, unless, upon inquiry and examination, he shall decide that such proceedings can not probably be sustained, or that the ends of public justice do not require that such proceedings should be instituted; in which case he shall report the facts to the Commissioner of Internal Revenue for his direction.

United States attorneys are instructed that, where collectors report cases for suit on bonds to recover taxes, all the evidence should be obtained at once, and immediate steps be taken to obtain from this office or from the collector all papers and other data necessary for successful prosecution of the suit; and in all other cases, of whatever nature, the prosecuting officer should, when suit or prosecution is requested by officers of internal revenue, demand and insist upon such proofs being brought to his personal knowledge, and, so far as may be, put into his possession, as will justify the bringing of the suit, and a reasonable expectation of a successful issue.

REPORTS.

United States attorneys are required to report the commencement of all suits, or proceedings arising under the internal-revenue laws, civil and criminal, to the Commissioner, on Form 112, immediately after proceedings are instituted; and at the end of every term of the district and circuit courts, to report, on Form 113, a list of all internal-revenue cases pending at the close of the last preceding term of such court, and of those since commenced by them, with a full statement of the cause of action and all the proceedings therein, so as to furnish to the Commissioner a full history of what has been done in all causes since the previous term, including any trial, verdict, decision, decree, sentence, or judgment, and the issuing of any execution, with the time when issued.

In the case of indictments, the crime or offense should be specified and the statute or section violated.

Suits or proceedings against collectors, or other officers of internal revenue, wherein the district attorney appears, should be reported on the term-reports. Suits relating to internal-revenue matters brought against the United States in the circuit and district courts, under the act of March 3, 1887, should also be reported.

It is desirable that, after a cause is once numbered on the court-dockets, the term-reports should show the court-number of each case, and that the number be retained and used in subsequent reports. After judgment has been entered and properly reported to this office on Form 113, the cases can be thereafter omitted from the district attorney's term-reports until the term in which the judgment is satisfied, unless there is a motion for a new trial pending, or an appeal to the Supreme Court. In such cases, they should be continued on the reports until finally disposed of; and when the judgment is satisfied, in whole or in part, in any case which has been dropped from the reports, the case should be again placed on the term-report, and such satisfaction of the judgment reported.

United States attorneys will, as soon as practicable after the close of each fiscal year, transmit to this office annual reports, giving a summary of proceedings had in the United States courts during the year. These reports should be rendered punctually in order to furnish the Commissioner of Internal Revenue with the aggregate information desired in the preparation of his annual report. The data required should be given in the order indicated below :

Suits and prosecutions.	Criminal.	CIVIL.	
		In personam.	In rem.
Number pending July 1, 189			
Number commenced during the year			
Total			
Number decided in favor of the United States			
Number settled by compromise			
Number decided adversely to the United States			
Number dismissed (exclusive of those compromised), abandoned, or consolidated			
Number pending at the end of the fiscal year, as per list			
Total			
Number of sentences suspended			
Amount of judgments recovered			
Amount of costs recovered			
Amount of judgments paid into court			
Amount of costs paid into court			

As the totals should tally, criminal cases in which judgment is suspended should be included in "Number decided in favor of the United States," and excluded from the "Number pending."

PREPARATION OF CASES.

On the receipt of papers on which to commence suit, the district attorney will closely examine and see if there is any defect in them, or if any explanation is wanted; and, if so, he will immediately report the same to the person from whom the papers were received, with such suggestions as shall seem to him proper. If, before the commencement or during the progress of the cause, questions shall arise in the mind of the district attorney in relation to which it may, in his opinion, be desirable that he should take counsel, he will state such questions to the Commissioner of Internal Revenue, with the authorities bearing upon them, and also his own views.

The district attorneys are relied upon for prompt and efficient preparation and prosecution of all cases, and they will be held primarily responsible for failure to bring the cases to a speedy trial.

SUITS NOT TO BE POSTPONED WITHOUT INSTRUCTIONS.

When an action shall have been commenced in favor of the United States, it will be the duty of the district attorney having such case in charge to press the same to a judgment at as early a day as possible, consistant with the interest of the United States. Where a cause shall have been continued, the district attorney will, in his next return to the Commissioner, state upon whose motion and on what grounds the continuance was directed. No district attorney will discontinue a case, or consent to a dismissal, or suspend proceedings, or agree that a judgment or decree shall be taken for a less amount than the United States is entitled to claim in view of the violations of law committed by the defendant, without express instructions from the Commissioner, except that when such attorney shall be of opinion that the action has been improperly brought, that an error has been committed in the pleadings or proceedings which may be fatal or hazardous to the interests of the Government, or that the evidence in his power to produce is insufficient to support the action, and there shall not be sufficient time to communicate with and receive instructions from the Commissioner, he may consent to suspend proceedings, or to a continuance. In all such cases the district attorney will immediately report the facts and the reasons for his action to the Commissioner.

PROCEEDINGS AFTER JUDGMENT.

As early as practicable after the perfecting of judgment, execution should be placed in the hands of the marshal by the district attorney, who will take duplicate receipts therefor, using the same numbers as reported by the United States attorney on his reports, one of which he will transmit to the Commissioner of Internal Revenue. At the commencement of every term of court the district attorney will carefully examine and ascertain whether the marshal has properly returned all processes placed in his hands, the return of which is due. If he shall find that the proper return has not been made, it will be his duty to take prompt and efficient measures to compel a return; in which case he will report the steps taken, and their result, to the Commissioner, in his term-reports.

All records of cases in error or on appeal to the Supreme Court, together with the points of both parties, the brief of the district attorney, the authorities cited by the opposing counsel, and the opinion of the judge when it can be obtained, whether intended for the Attorney-General, the clerk of the Supreme Court, or the Commissioner, must be inclosed to the Commissioner, when the proper disposition of the papers will be made.

After process is placed in the hands of a marshal, district attorneys will not attempt to control or interfere with the execution of the same, as therein commanded, without special directions from the Commissioner, *otherwise than to see that the marshal performs his duty in the premises.*

There should be no unnecessary delay in proceedings to enforce collections of judgments when obtained. District attorneys should exercise vigilance to guard the interests of the Government, and should not consider that their duties in the case are concluded until the amounts of the judgments are collected, where collections are possible, and the money paid into the registry of the court and thence into the Treasury of the United States.

If the debtors have made conveyances for the purpose of concealment, this office should be advised and consulted, with a view to have appropriate proceedings instituted under bill of discovery or otherwise; and if the debtors are known to have property in another district which can be reached by the United States, appropriate steps should be taken to reach it.

Section 986, R. S., provides that all writs of execution upon judgments obtained for the use of the United States, in any court thereof, in one State, may run and be executed in any other State, or in any

Territory, but shall be issued from, and made returnable to, the court wherein the judgment was obtained.

Whenever the original execution issued upon a judgment recovered in an internal-revenue suit in favor of the United States shall have been returned by the marshal, with the indorsement of *nulla bona*, or words to that effect, no *alias* execution shall issue, unless the United States attorney shall be of opinion that upon a new execution, if issued, moneys can be collected to the amount at least of the costs incurred; he may then direct in writing an *alias* execution to be issued, but if it be necessary to revive the judgment, it shall be his duty so to state to the Commissioner and ask for instructions before proceeding. (Circular No. 331, 35 Int. Rev. Rec., 197.)

Whenever a case is brought to the Supreme Court or a circuit court, by a writ of error, either by the United States or by direction of any Department of the Government, no bond or security is required. (Sec. 1001, R. S.)

DISPOSITION OF PUBLIC FUNDS.

District attorneys are not authorized officers to whom public moneys should be paid.

If a defendant shall, previous to judgment, offer a certain sum in compromise of the case, the money should be deposited with the collector of internal revenue.

SUITS AGAINST INTERNAL-REVENUE OFFICERS AND SUITS AGAINST THE UNITED STATES.

It is the duty of district attorneys to appear in behalf of the defendants in suits against collectors or other officers of internal revenue for acts done by them in the line of their duty, or for the recovery of money exacted by, or paid to, such officers, and by them paid into the Treasury; but as section 827, R. S., provides for their compensation for such services when they are directed by the proper officers of the Government to defend such officers, application should be promptly made to this office for directions to defend.

Services in defending internal-revenue officers are usually rendered under sections 827 or 771, R. S. Under section 827 the compensation lies exclusively with the Secretary of the Treasury. Under section 771 the compensation is under the fee bill only. (Opinion of Atty. Gen. Garland, 31 Int. Rev. Rec., 326.)

The act of March 3, 1887 (24 Stat., 505), providing for the bringing of suits against the Government in the United States district and circuit courts, makes it the duty of the district attorney to appear and defend

the interests of the Government in such suits and within sixty days after the service of petition upon him to file a plea, answer, or demurrer on the part of the Government, and notice of any set-off or counter-claim.

LIMITATION OF SUITS AND PROSECUTIONS.

The act of July 5, 1884 (23 Stat., 122), provides—

That no person shall be prosecuted, tried or punished for any of the various offenses arising under the internal-revenue laws of the United States unless the indictment is found or the information instituted within three years next after the commmission of the offense, in all cases where the penalty prescribed may be imprisonment in the penitentiary, and within two years in all other cases:

"*Provided*, That the time during which the person committing the offense is absent from the district wherein the same is committed shall not be taken as any part of the time limited by law for the commencement of such proceedings:

* * * * * * *

And provided further, That where a complaint shall be instituted before a commissioner of the United States within the period above limited, the time shall be extended until the discharge of the grand jury at its next session within the district:

And provided further, That this act shall not apply to offenses committed by officers of the United States.

Suits for the recovery of taxes can be brought at any time, whether the taxes have been assessed or not, and whether they are assessable or not. This is in accordance with the decision of the United States Supreme Court in the case of the Dollar Savings Bank *vs.* United States, 19 Wall., 227; 19 Internal-Revenue Record, 89, 90, and King *vs.* United States, 99 U. S. Reports, 229. (See also the decision of Judge Blatchford, U. S. Dist. Court, S. D. of N. Y., in U. S. *vs.* Tilden, 24 Int. Rev. Rec., 99.)

The act of August 8, 1888 (25 Stat., 387), provides that sureties upon bonds of United States officials shall not be liable for the indebtedness of the principals unless suit shall be instituted within five years after the statement of the account by the accounting officers of the Treasury.

No suit or proceeding for the recovery of any internal tax alleged to have been erroneously or illegally assessed or collected, or of any penalty alleged to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, can be maintained in any court, unless the same is brought within two years next after the cause of action accrued. (Sec. 3227, R. S.)

States can not pass statutes of limitation binding on the Federal Government. (United States *vs.* Thompson *et al.*, 98 U. S., 486; 25 Int. Rev. Rec., 134.)

The United States are not bound by any statute of limitations unless Congress has clearly manifested its intention that they should be so bound. (U. S. *vs.* Nashville R. R. Co., 118 U. S., 125.; U. S. *vs.* Beebe, 127 U. S., 344.)

FEES AND ACCOUNTS OF DISTRICT ATTORNEYS.

Where real estate has been purchased for the United States under the provisions of section 3197, R. S., as amended by section 3 of the act of March 1, 1879, it is the duty of the district attorney for the district in which the property is situated to prepare a deed therefor, and to indorse thereon his approval as to its form. A fee of five dollars is allowed for this service, to be paid by the United States, and which he should account for in his emolument-returns.

The fees of district attorneys in internal-revenue cases are payable only on settling their accounts at the Treasury. They are not payable out of the proceeds of property seized, and, when recovered as costs from the defendant, should be turned into the Treasury. (15 Opin. Atty. Gen., 387.)

Accounts of the United States district attorneys for services rendered and expenses incurred under sections 827 and 838, Revised Statutes, should be made out and approved separately from their regular accounts, and such accounts, in internal-revenue cases, should be sent to this office, instead of to the office of the First Auditor.

In accounts for compensation claimed under section 827, Revised Statutes, a statement should be furnished, explaining fully the case in which services were rendered, and showing the nature of the suit, the character and value of the services performed, the date when proceedings were instituted, when the cases were finally disposed of, and the disposition thereof.

The date of the letter from this office authorizing or directing the services should also be given.

While a certificate of court is required as to what would be a proper allowance under this section, the law contemplates, in addition, the approval of the Secretary of the Treasury, which may be made with reference to other compensation received by the officer. (15 Opin. Atty. Gen., 277.)

In accounts for services and expenses under section 838 the Secretary of the Treasury has decided that said section does not allow compensation for services in cases "not tried or disposed of before a judge," but does allow compensation "for the expenses incurred and services rendered" *preparatory* to trial, in addition to the regular fees allowed

under section 824, Revised Statutes, in cases that are "tried or disposed of before a judge."

Each account presented under said section must be supported by the certificate of the proper judge that the cases named therein were tried or disposed of before him and that the fee charged in each case is in his opinion a just and reasonable one for the services rendered.

It is also required that each account shall be accompanied by a sworn statement of the attorney showing the nature of the service rendered in each case in preparing for trial; and by the report of the collector under section 3164, Revised Statutes, on which the attorney should note the date of the Form 11 in case one was returned by the defendant; the date of the payment of special tax and penalty if paid; the date of arrest and hearing before a commissioner, if any, and the name of the person on whose information such arrest was made; if there was a verdict of "not guilty," the attorney should state why the interests of public justice required prosecution in court; and where there was a plea of "guilty," if the fee charged exceeds $5, the reason for such charge should be stated.

As to the form of the account, it should set forth the term of the court when the action was commenced, name of the case or defendant, the offense, the result, the term of court in which disposed of, and the amount of fee charged.

See rulings of the Secretary of the Treasury as to accounts under section 838. (30 Int. Rev. Rec., 61, 69; 32 *ibid.*, 405.)

The Attorney-General sustains the Secretary in the requirement that the reports of the collector should be appended to the account. (31 Int. Rev. Rec., 333.)

The Attorney-General sustains the Secretary in his opinion that compensation can not be allowed under this section unless judicial proceedings are instituted. (Brewster, 31 Int. Rev. Rec., 70; Garland, 31 *ibid.*, 382.) See opinion of Judge Shipman to the same effect in Stanton *vs.* United States, 37 Fed. Rep., 252.

To insure prompt action in the settlement of accounts for services rendered and expenses incurred under sections 827 and 838, term-reports on Form 113 should be transmitted to this office without delay, as the adjustment of such accounts will invariably be suspended until the receipt of said reports, showing the proceedings and final disposition of all causes in which such services and expenses are charged.

All accounts of district attorneys are required to be approved in open court, as provided in the act of February 22, 1875, referred to hereafter.

A district attorney is not required by law to attend a State court, and when he is requested to do so by a head of a Department he is entitled to compensation as regulated by section 299. Fee of United States Attorney Duskin. (Deposit Savings Association of Mobile *vs.* D. H. Marks & Co., 16 Opin. Att. Gen., 99; 24 Int. Rev. Rec., 306.)

Section 3, act of March 20, 1874 (18 Stat., 109), provides that no civil officer of the Government shall hereafter receive any compensation or perquisites, directly or indirectly, from the Treasury or property of the United States beyond his salary or compensation allowed by law:

Provided, That this shall not be construed to prevent the employment and payment by the Department of Justice of district attorneys, as now allowed by law, for the performance of services not covered by their salaries or fees.

DUTY OF DISTRICT ATTORNEYS IN REGARD TO COSTS OF CLERKS, MARSHALS, AND COMMISSIONERS.

The attention of district attorneys is called to the provisions of the act of February 22, 1875 (18 Statutes at Large, 333), in regard to taxing costs of marshals, clerks, etc., in open court before the accounts are transmitted to the accounting officers of the Treasury.

The law provides—

That before any bill of costs shall be taxed by any judge or other officer, or any account payable out of the money of the United States shall be allowed by any officer of the Treasury, in favor of clerks, marshals, or district attorneys, the party claiming such account shall render the same, with the vouchers and items thereof, to a United States circuit or district court, and, in presence of the district attorney or his sworn assistant, whose presence shall be noted on the record, prove in open court, to the satisfaction of the court, by his own oath or that of other persons having knowledge of the facts, to be attached to such account, that the services therein charged have been actually and necessarily performed as therein stated; and that the disbursements charged have been fully paid in lawful money; and the court shall thereupon cause to be entered of record an order approving or disapproving the account, as may be according to law, and just.

United States commissioners shall forward their accounts, duly verified by oath, to the district attorneys of their respective districts, by whom they shall be submitted for approval in open court, and the court shall pass upon the same in the manner aforesaid.

Accounts and vouchers of clerks, marshals, and district attorneys shall be made in duplicate, to be marked respectively "original" and "duplicate."

And it shall be the duty of the clerk to forward the original accounts and vouchers of the officers above specified, when approved, to the proper accounting officers of the Treasury, and to retain in his office the duplicates, where they shall be open to public inspection at all times.

The examination here required to be made by the district attorney must not be formal and casual. To make it efficient and clear that services and disbursements charged are just and in accordance with law, it may be necessary to request the court at the close of a term, when the accounts are ready for proof, to assign sufficient time to make this examination when a full knowledge of the facts can be obtained.

It should be a searching review of the accounts, with the express determination to allow no account to pass that is not free from all suspicion. If the marshal can not produce such evidence before the court at any term, the accounts should lie over till he is able to do so.

In cases *in rem* district attorneys are urged to scrutinize carefully the accounts for custody of the property, and not to allow expenses to accumulate to such an extent that they will exceed the value of the property, as has frequently happened. When there is a likelihood that this may occur, district attorneys will see if the property can not be sold by order of the court *pendente lite*, and the proceeds paid into the registry of the court to abide its final order. If amicable arrangement to this effect can be made with the claimant, with the sanction of the court, it should be made.

The items of guard-hire and mileage must be supported by satisfactory evidence. District attorneys will approve for payment no item that is tainted with suspicion or supported by insufficient proof.

If a false or fraudulent account is presented, the officer presenting it should be at once reported to the Attorney-General, and to this office.

COSTS IN COMPROMISE CASES.

When a case is to be discontinued by virtue of an acceptance of an offer of compromise, the terms of which include the payment of costs and expenses, the term "expenses" is understood to include all expenses whatever incurred on behalf of the United States, in such case, including costs of the preliminary examination before a United States commissioner, and full payment of such costs and expenses should be made before said case is discontinued. (See Circular of Department of Justice of May 25, 1880, in Register of Department of Justice, 1886, p. 257.) If the defendant refuses and fails to pay the same on demand, the offer of compromise shall be deemed to have been rejected, and the case should be proceeded with as though no offer had been made.

In accordance with an opinion of the First Comptroller, dated October 5, 1886, U. S. attorneys are advised that accounts for their commissions of 2 per cent., under sec. 825, R. S., in compromise cases should be proved in court, as required by the act of February 22, 1875,

and transmitted to the proper accounting officers of the Treasury, to be paid from the appropriation "for fees of district attorneys." (See Circular Letter to U. S. Attorneys, October 14, 1886, 32 Int. Rev. Rec., 325.)

PROSECUTIONS UNDER THE INTERNAL-REVENUE LAWS—HOW TO BE COMMENCED TO ENTITLE OFFICER TO FEES.

The sundry civil appropriation act for the fiscal year ending June 30, 1890, approved March 2, 1889 (25 Stat., 978), provides as follows:

And no part of any money appropriated by this act shall be used to pay any fees to United States commissioners, marshals, or clerks for any warrant issued or arrest made, or other fees in prosecutions under the internal-revenue laws, unless the prosecution has been commenced upon a sworn complaint setting forth the facts constituting the offense and alleging them to be within the personal knowledge of the affiant, or upon sworn complaint by a collector or deputy collector of internal revenue, or revenue agent, setting forth the facts upon information and belief and approved either before or after such arrest by a circuit or district judge or the attorney of the United States in the district where the offense is alleged to have been committed or the indictment is found.

It is especially directed that district attorneys will not approve complaints in any case without having made a careful examination of the facts and satisfying themselves that the case is a proper one for prosecution.

COSTS IN SUITS BROUGHT UPON INFORMATION FROM OTHER THAN COLLECTOR, ETC.

When a suit for the recovery of any penalty or forfeiture accruing under any law providing internal revenue is brought upon information received from any person other than a collector or deputy collector of internal revenue the United States shall not be subject to any costs of suit.* (Secs. 969 and 3214, R. S.)

WHEN A DISTRICT ATTORNEY IS ENTITLED TO BUT ONE BILL OF COSTS FOR SEVERAL PROSECUTIONS.

When a district attorney prosecutes two or more indictments, suits, or proceedings which should be joined, he shall be paid but one bill of costs for all of them. (Sec. 980, R. S.)

When several actions are brought against parties which might be joined in one, costs can not be recovered on more than one action, unless special cause for more than one action is satisfactorily shown in open court. (Sec. 977, R. S.)

As to joining in one indictment two offenses subject to different punishments. (United States *vs.* Gaston, 28 Fed. Rep., 849.)

COSTS WHEN PAID BY DEFENDANT.

When judgment is rendered against the defendant in a prosecution for any fine or forfeiture incurred under a statute of the United States, he shall be subject to the payment of costs; and on every conviction for any other offense not capital, the court may in its discretion award that the defendant shall pay the costs of the prosecution. (Sec. 974.)

The word defendant held to include a claimant in an action *in rem* for forfeiture. (United States *vs.* Seven Barrels Distilled Oil, 8 Int. Rev. Rec., 162.)

The costs of the examination before the circuit court commissioner or examining magistrate (if such examination has been had), should be included in the bill of costs to be taxed against the defendant, under sec. 974.

EMPLOYMENT OF ATTORNEYS PROHIBITED.

The law, sections 361 and 365, Revised Statutes U. S., provides that no attorney or counsel-fees shall be allowed to attorneys or counsel besides the district attorneys, except in cases specially authorized by law, and then only on the certificate of the Attorney-General.

The authority of the various heads of Departments to employ counsel at the expense of the United States was taken away by the act of June 22, 1870 (sec. 189, R. S.), and it was provided that this power should thereafter be exercised solely by the Attorney-General.

UNITED STATES COMMISSIONERS—NO UNNECESSARY PROSECUTIONS TO BE INSTITUTED.

United States commissioners should not issue any warrant or process upon information filed by private persons, or persons not belonging to the Internal-Revenue Service, for violation of the internal-revenue laws, without the sanction of the collector of the proper district or of the district attorney, and district attorneys are requested to advise United States commissioners accordingly.

There is much reason to believe that many causeless and idle prosecutions have been brought in some districts apparently for the purpose only of making fees. Great injustice is thus done to individuals and the Government.

If warrants are issued by commissioners without just cause, district attorneys will call the attention of the judge to the matter, and procure from him an order that such commissioners be directed not to issue warrants unless the consent of the district attorney or of the collector has first been obtained, after examining the case (see form of

order of court in Register of Department of Justice, 1883, p. 196); or, if thought advisable, procure an order revoking his commission.*

United States attorneys, and also collectors and deputy collectors, are instructed to report to this office any and all cases where they have reason to believe that United States commissioners or others are guilty of causing useless and unnecessary prosecutions.

In regard to United States commissioners generally, district attorneys are expected to see that they properly discharge their duties, and to give them necessary instructions, and, in case of malfeasance or neglect of duty, to call for the interposition of the court.

District attorneys will see that the commissioners transmit to them, or to the clerk of the court, immediately after preliminary examination has been held, the complaint, warrant, recognizance (if any be taken), a copy of their docket entries, an abstract of the evidence, with the names and residence of the witnesses, and such other facts as may have come to their knowledge. Such transcript should show the costs of commissioner, marshal, deputy marshal, and witnesses.

It is believed that, in many cases, offenders have escaped punishment in consequence of the negligence of the commissioners in taking worthless or insufficient bail. The necessity of great care in this matter should be urged upon the attention of commissioners. The sureties offered should be examined under oath as to their pecuniary ability and property, and the testimony of witnesses taken whenever there is any doubt as to their solvency.

REPORTS OF UNITED STATES COMMISSIONERS.

United States commissioners should make reports on proceedings before them in internal-revenue cases on Form No. 207.

According to the circular of February 5, 1885, of the Attorney-General (see Register of the Department of Justice, 1886, p. 268), commissioners should make and send to the clerk of the circuit court two monthly reports, one of which the clerk retains for his files, and the other he forwards to this office.

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*In the case of a United States commissioner charged with irregular and illegal conduct before the United States circuit court, northern district of New York, the court used the following language: "We deem it proper to say that hereafter we shall regard it as a sufficient cause for removal if a commissioner abets or encourages the prosecution of violations of the internal-revenue laws set in motion by 'professional witnesses.' If the officers of the revenue, or the law officers of the Government, do not deem the case of sufficient consequence to institute and follow up prosecutions, commissioners, who are judicial officers and whose only duty it is to hear cases when they are presented, should not, directly or indirectly, instigate or countenance others in bringing criminal proceedings." (31 Fed. Rep., 278; 33 Int. Rev. Rec., 293.)

If the court has issued no order requiring such reports, United States attorneys will request the court to make the necessary order. (See form of order in Register of Department of Justice, 1883, p. 196.)

MARSHALS.

On assuming the duties of their office, all marshals will immediately advise the Commissioner of Internal Revenue by letter to that effect. They will each, at the earliest practicable period, obtain from their respective predecessors in office the books and other property of the United States in their hands relating to internal-revenue cases.

A failure to obtain such books and other property will be reported to the Commissioner of Internal Revenue.

DOCKETS AND BOOKS.

Unless already furnished with them, marshals will each procure a well-bound docket, day-book, ledger, and letter-book, labeled and marked as follows: "The property of the United States"—"Internal Revenue Cases," with suitable index for each. These books will be carefully preserved by the marshals, and handed to their successors. They will make minute entries in their dockets of the time of receiving and serving papers and process, and of whatever is done by them in cases arising under the internal-revenue laws, with correct dates. The letter-books will contain full and true copies of all letters written by such officers officially, relating to such suits or matters in which the United States are interested.

In the day-books and ledger full and accurate accounts will be kept of all moneys received and paid out for the United States, on account of these cases.

The entries in the dockets and account-books will be so full, clear, and definite that they can be easily understood.

All official letters relating to United States internal-revenue cases received by marshals, not needed by them as vouchers for the payment of money, will be preserved as public property, and delivered to their successors.

Where the originals are essential to them as vouchers, they will leave copies in their places. Whenever official letters accumulate sufficiently to make a volume, the officer having them in possession will cause the same to be indexed and bound according to their dates.

DUTIES OF MARSHALS AS TO VIOLATIONS OF LAW.

Marshals are expected to give all the aid in their power and for which they have authority of law to collectors in enforcing the revenue laws.

They should give notice, in writing, to the United States attorney of the proper district, of all violations of the internal-revenue laws which shall come to their knowledge, or of which they shall be credibly informed, stating the particular act, with the time when committed, and the names of the witnesses, if known, and will immediately forward to the collector of internal revenue a copy of such notice.

When any marshal, or deputy marshal, shall find any person or persons in the act of operating an illicit distillery within his district, he should arrest such person or persons, and take him or them forthwith before some United States judge, United States commissioner, State chancellor, judge of a supreme or superior court, chief or first judge of common pleas, mayor of a city, justice of the peace, or other State magistrate who may reside in the county of arrest, or, if none, in the county nearest to the place of arrest, to be held to bail for trial at the next term of the United States court which has cognizance of the offense, or, in default of bail, to be imprisoned. (Sec. 9, act of March 1, 1879.)

They will interest themselves to see that bail is required in a sum sufficient to secure the attendance of the party, and that the sureties accepted are solvent and amply responsible to the amount of their undertaking.

If the party arrested is taken before any other officer, named above, than a United States commissioner, notice of the arrest and action taken therein should be immediately given to the United States attorney, with the names of the witnesses.

REPORTS.

On the receipt of every process, mesne or final, in United States internal-revenue cases (except subpœnas), marshals will notify the Commissioner of Internal Revenue thereof, on Forms 114 and 115, respectively, stating the title and nature of the suit, its court-docket number, the name of the process, and, if an execution, distress warrant, or other writ requiring the collection of money, or the sale or seizure of property, the amount of the debt, or a description of the property to be sold or seized, and the amount of the costs, with the time from which they are directed to collect interest. They will also give to the district attorney duplicate receipts expressing the above particulars.

Marshals are also required to make a report to the said Commissioner, on Form 116, of proceedings under execution or final process issued to them in internal-revenue cases immediately after return of their process into court. Such report should show the title and nature of the

suit, its court-docket number, date of process or order, date of judgment or decree, amount of judgment, exclusive of costs, amount of interest and costs, nature of decree, nature of return, amount of proceeds paid into registry of court, with the clerk's receipt for the same. A duplicate of this report should be sent to the district attorney for his information.

The court numbers of cases should be used on these reports as used by the district attorney in his dockets and reports.

COLLECTION OF JUDGMENTS, ETC.

Processes placed in the hands of marshals should be promptly executed and judgments enforced without unnecessary delay. For instructions in cases where real estate has been levied upon and exposed for sale on execution see remarks under the head of Real Estate, p. 45.

In cases where the marshal returns, in substance, "no property to be found," he will also specially report to the Commissioner and the district attorney the situation, residence, and circumstances of the party against whom the process was issued, and whether the debtor has any means within the district which can be reached by the United States by bill of discovery or otherwise, or any property in any other judicial district, or whether, in his opinion, the debt is valueless.

On the first day of October, in each year, marshals will report to the Commissioner the situation of all judgment-debtors of the United States under the internal-revenue laws within their respective districts, so far as they have any knowledge upon the subject, and will advise such proceedings in the premises as they shall deem proper.

RESPECTING PROPERTY IN CUSTODY OF THE MARSHAL.

In all cases where a marshal takes possession of a distillery by virtue of a process issued for violation of the internal-revenue laws, he will immediately cause the head of the still to be taken off, or the machinery to be disconnected in such manner as to render it impossible for distillation to be carried on. The expenses arising out of compliance with this order should be returned by the marshal as a part of his disbursements in the cause.

Whenever *any* premises are held in custody by the marshal under process issued for violation of the internal-revenue laws, admission to such premises shall, at all times, be permitted for any internal-revenue officer who would be entitled to admission were the same not in custody of the marshal.

Marshals are enjoined to use the greatest economy in the custody of property in their hands. They should consult with district attorneys,

who are required to revise their accounts, in all cases where their is a doubt as to the propriety of allowing charges or incurring expenses.

They should be vigilant and critical in the examination of the accounts of their deputies, and seek to save expense to the Government when practicable.

Great care should be taken to prevent any instance occurring where the expenses of custody or storage are likely to exceed the value of the property. If there is any likelihood, in any case, of such an occurrence, they should report the facts both to the district attorney and to this office.

PAYMENT OF ALL MONEYS INTO THE REGISTRY OF THE COURT.

Marshals are instructed to pay over the gross amount of all moneys received by them under process of the court, from whatever source, arising under the internal-revenue laws, into the registry of the United States courts, from which the process issues, immediately after collection, without any abatement or deduction of any description whatever, taking from the clerk of said court duplicate receipts therefor—one of which they will retain ; the other is to be sent to this office, accompanied by their report on Form 116, of proceedings under final process.

FEES—HOW PAYABLE.

Section 856, R. S., provides that the fees of marshals, where the United States are liable to pay the same, shall be paid on settling their accounts at the Treasury.

In the case of property seized, where the same is condemned and forfeited to the United States, the fees of marshals should not be paid from the proceeds, but such proceeds, without any deduction, should be paid into the registry of the court.

CLERKS OF COURTS.

REPORTS.

Section 797, Revised Statutes, as amended by section 2 of the act of March 1, 1879 (20 Stat., 327), provides that every clerk of a United States circuit or district court shall "at the close of each quarter or within ten days thereafter, report to the Commissioner of Internal Revenue all moneys paid into court on account of cases arising under the internal-revenue laws, as well as all moneys paid on suits on bonds of collectors of internal revenue. The report shall show the name and nature of each case, its court number, the date of payment into court, the amount paid on account of debt, tax, or penalty, and also the

amount on account of costs. If such money, or any portion thereof has been paid by the clerk to any internal-revenue officer or other person, the report shall show to whom each of such payments was made; and if to an internal-revenue officer, it shall be accompanied by the receipt of such officer."

This report should be made on Form 158, and, if possible, the same numbers should be used to designate the case as are used by district attorneys in their reports.

Section 5 of the act of February 22, 1875 (18 Stats., p. 333), provides, that if any clerk of a United States district or circuit court shall willfully refuse or neglect to make any report required by law to be made by him, or shall willfully refuse or neglect to forward any such report to the Department, officer, or person to whom, by law, the same should be forwarded, the President of the United States is empowered, and it is made his duty, in every such case to remove such clerk, so offending, from office, by an order in writing for that purpose.

And upon the presentation of such order, or a copy thereof, authenticated by the Attorney-General of the United States, to the judge of the court whereof such offender is clerk, such clerk shall thereupon be deemed to be out of office, and shall not exercise the functions thereof. Any such person, so removed, shall not be eligible to any appointment as clerk or deputy clerk for the period of two years next after such removal.

Section 6 of the same act provides that if any such clerk shall willfully refuse or neglect to make or to forward any such report, he shall be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, in the discretion of the court.

RECORDS.

The act of August 1, 1888 (25 Stat., 357), requires that the clerks of the several courts of the United States shall prepare and keep in their respective offices complete and convenient indices and cross-indices of the judgment records of said courts, and such indices and records shall at all times be open to the inspection and examination of the public.

DISPOSITION OF MONEYS IN THE REGISTRY OF THE COURT.

In accordance with the provisions of section 3216, R. S., all moneys accruing to the United States in cases arising under the internal-revenue laws for taxes, costs (including witness-fees), fines, forfeitures, and penalties, should be paid over by the clerks of the United States courts

to the collectors of internal revenue of the respective districts in which the cases arise, to be by them included in, and deposited with, their other collections. In all such cases the collectors should furnish the clerk with receipts in duplicate, the original to be forwarded to the Commissioner of Internal Revenue, and the duplicate to be retained by the clerk, and filed with the records of the court.

Such moneys should be paid over by clerks, as directed by law, as soon as practicable after being received, and without any abatement or deduction on account of salary, fees, costs, charges, expenses, or claim of any description whatever. (Sec. 3617.) Section 3619, R. S., provides that "Every officer or agent who neglects or refuses to comply with the provisions of section 3617 shall be subject to be removed from office, and to forfeit to the United States any share or part of the moneys withheld, to which he might otherwise be entitled."

Fees of marshals, district attorneys, and clerks of United States courts in Government suits, when taxed and collected as costs, are payable into the Treasury under sections 3216 and 3617. (15 Opin. Att. Gen., 387.)

COLLECTORS OF INTERNAL REVENUE.

GENERAL DUTIES OF COLLECTORS.

Every collector, within his collection district, should see that all laws and regulations relating to the collection of internal taxes are faithfully executed and complied with, and should aid in the prevention, detection, and punishment of any frauds in relation thereto.

SEIZURES, AND EXAMINATION OF PREMISES, BOOKS, PERSONS, AND PAPERS.

Powers of seizure of property by law subject to seizure within their respective districts are conferred upon all collectors and any other officer of internal revenue specially authorized by the Commissioner of Internal Revenue.

To constitute a valid seizure, there must be open, visible possession claimed, and authority exercised under the seizure.

Seizure may be made by any unofficial person, but at the peril of responsibility in damages in case the seizure is not adopted by the Government, and the property is not condemned. (13 Opin. Atty. Gen., 253.)

Collectors and deputy collectors may enter, in the day-time, any building or place where any articles or objects subject to tax are made, produced, or kept, within his district, so far as may be necessary for

the purpose of examining said articles or objects; and, where such premises are open at night, such officers may enter them, while so open, in the performance of their official duties. (Sec. 3177, R. S.)

Any revenue officers may also, at all times, as well by night as by day, enter any distillery or building or place used for the business of distilling, or used in connection therewith for storage or other purposes, or of any premises where vinegar is manufactured; and if not admitted upon demand, having declared their name and office, they may break open any doors or windows, or break through any of the walls of such premises necessary to be broken to enable them to enter. (Sections 3276, 3282, R. S.)

Severe penalties are visited upon any person interfering with such officers in the discharge of their duty, or offering them presents or bribes to influence or reward their acts. Falsely personating an officer of the revenue is severely punished.

If the collector finds it necessary, in order to aid in the prevention, detection, and punishment of frauds, he can exercise the authority vested in him by section 1 of the act of August 15, 1876 (section 3163 *a*, Compilation of 1889), and may summon any person to appear and testify under oath, and to produce books and papers.

This is additional to the power conferred upon collectors by section 3173, Revised Statutes, to summon persons to appear and produce books, and testify respecting objects liable to tax or the returns thereof.

The collector should state in his summons against private persons, with reasonable certainty, what books, papers, etc., he demands.

Form 129 is used for collector's summons to testify, and Form 130 for summons to testify and produce books, etc.

Where a summons for the production of books and papers has been issued by a collector of internal revenue, and such summons has been duly served and not complied with, a United States district judge may, upon application and proof of these facts, issue a writ of attachment. (Stanwood *vs.* Green, 11 Int. Rev. Record, 134.)

The extent and limitation of the authority of officers of internal revenue, to compel the production of books and papers under section 3163, are discussed in the decision rendered by Judge Treat, in the United States district court, district of Missouri, in the case wherein Frederick Becker refused to obey the order of Supervisor Meyer to produce certain books and papers, and wherein an attachment was asked by the supervisor to compel obedience to his *subpœna.* (21 Internal-Revenue Record, 243.)

See, also, *in re* Leopold Lippman, 9 Int. Rev. Rec., 1, and *in re* Meador & Brothers, 10 Internal-Revenue Record, 74.

After the right of assessment has been lost a collector has no legal authority to require the production of a person's private books and papers for the purpose of ascertaining his liability to tax. (In the matter of O. H. P. Archer, 24 Int. Rev. Rec., 110.)

It is no defense that the answers of the person summoned would tend to criminate him, as no disclosures or admissions so made can be used against him in criminal proceedings. (Sec. 860, R. S., *in re* John T. Phillips, 10 Int. Rev. Rec., 107.)

The Constitution provides that no man can be compelled to be a witness against himself in a criminal case. (Article 5 of amendments.) This does not apply to a person summoned under section 3173. The examination of books under this section is not an infringement of the fourth amendment to the Constitution, providing against unreasonable searches. (*In re* Mark Strouse, 11 Int. Rev. Rec., 182.)

The decision of the United States Supreme Court in the case of Boyd *vs.* The United States (116 U. S., 617; 32 Int. Rev. Rec., 62) was, in effect that a compulsory production of a man's private papers, to be used as evidence against him in a proceeding to forfeit his property for alleged fraud against the revenue laws, is an "unreasonable search and seizure" within the meaning of the fourth amendment of the Constitution.

That decision relates to criminal proceedings, and does not apply to proceedings to recover taxes.

See act of June 22, 1874, relative to production of books, papers, etc., in suits other than criminal. (Page 221, Compilation of Internal Revenue Laws, 1889.)

In the exercise of powers conferred upon collectors in the examination of private books, papers, and accounts, they should use great caution and discretion. Such powers are to be strictly construed, and should not be put in operation upon hasty or trivial charges.

Exact observance of every form of law is necessary, that the collector may not be subjected to a suit for damages.

SEARCH WARRANTS.

Inasmuch as section 3462, Revised Statutes, also provides a way for searching premises, through the instrumentality of a search-warrant, it is deemed judicious for officers of internal revenue to provide themselves with such warrant in all cases where said section 3462 applies, especially in all searches of domiciles and private residences.

RECORD OF SEIZURES, AND REPORTS ON FORM 117.

Each collector will keep a record or docket of the seizures made in his district, showing the date of the seizure, at whose instance it

was made, kind, quality, and estimated value of the property; name of the informer, if any; name and address of owner of the property; the reason for such seizure; where stored, or by whom taken care of; the nature of the proceedings instituted, and the final disposition of the case. On making a seizure, the collector will at once notify the Commissioner, on Form 117, stating all the facts pertaining to the same then in his possession.

The book in which to keep the record of seizures (No. 44) will be furnished by this office upon application.

SEIZURES BY OFFICERS OTHER THAN COLLECTORS IN THEIR OWN DISTRICT.

Every officer (other than a collector of internal revenue in his own district) who makes a seizure will at once report the fact to the collector of the district in which the seized property is located, and turn over the same to the said collector as soon as possible, forwarding to the Commissioner, at once, a report embodying all the facts concerning the same which are then known to him.

REPORTS TO DISTRICT ATTORNEYS.

Every collector of internal revenue is required to report within ten days to the district attorney of the district in which any fine, penalty, or forfeiture may be incurred for any violation of the internal-revenue law a statement of all the facts and circumstances of the case within his knowledge, and which may come to his knowledge from time to time, together with the names of the witnesses, stating the provisions of the law believed to be violated, and on which a reliance may be had for condemnation or conviction. (Sec. 3164, R. S.)

These reports should give such a recital of facts as will enable the district attorney to frame indictments or libels, as the case may be.

If real estate connected with a distillery is to be libeled, the district attorney can not generalize, but, in asking for condemnation, he must describe the real estate with such certainty that, on judgment of forfeiture, the ground can be laid off upon the face of the earth by metes and bounds.

Nor is it sufficient for his purposes, in proceeding by indictment, to be simply told that a certain section of law has been violated. The facts must be stated, especially as it often occurs that several and different offenses are embraced in the same section.

This report is to be made whether the collector thinks the case is one which should be prosecuted or not. The responsibility of determining

whether or not a prosecution should follow is devolved upon the district attorney and Commissioner of Internal Revenue.

In making such report, however, the collector should send therewith a statement of the circumstances which, in his opinion, renders it either expedient or inexpedient to commence proceedings, with his recommendation.

He should exercise good judgment and discrimination in making his recommendations, being governed by his knowledge that the Internal-Revenue Office is opposed to criminal prosecutions for slight and unintentional violations of law. In cases, for instance, of failure to pay special taxes at the proper time, where the parties subsequently voluntarily come forward, make return and pay tax and penalty, or where, from the circumstances, it is evident that there has been no purpose of evading the tax, it is not only right, but it is incumbent upon the collector, to make such a detailed statement of the facts and circumstances as will leave in the mind of the United States attorney no uncertainty as to what course is required in the public interest.

He should avoid falling into a perfunctory habit in making the reports, and when he is satisfied that a criminal prosecution would be unjust and wrong, he should take pains to make a clear showing of the reasons for his recommendation.

Under the provisions of section 3460, R. S., when any property (except real estate) seized by the collector for violation of internal-revenue laws does not exceed $500 in value, it should be proceeded against by the collector, instead of being reported to the district attorney, unless a bond for costs is given as provided by said section.

Instructions as to the mode of procedure, under section 3460, are given in the Regulations, Series 7, No. 2, Revised, p. 93.

CASES TO BE CAREFULLY EXAMINED BEFORE PROCEEDINGS ARE INSTITUTED.

Collectors before reporting a case to the district attorney for prosecution should examine into the same with the utmost care, with a view of giving the district attorney definite information in regard to the same.

Where persons have knowingly and willfully violated the law, with the evident intention of defrauding the Government of its revenues, vigorous measures should be taken to bring the parties to trial and punishment; but no encouragement should be given to the commencement of prosecutions for merely slight and unintentional offenses, involving no loss to the Government, and where no question of fraud is

involved; and all complaints presented by professional informers should receive careful scrutiny before the commencement of prosecutions thereupon.

VIOLATIONS OF LAW TO BE REPORTED TO COMMISSIONER.

Collectors are required, if they have knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person, against the United States under any revenue law, to report, in writing, such knowledge or information to the Commissioner of Internal Revenue. They are liable to be fined not less than $1,000 nor more than $5,000, and imprisoned not less than six months nor more than three years, and to be dismissed from office for failure to comply with this requirement.

The same duty, under the same penalty, exists as to every officer or agent appointed and acting under authority of any revenue law of the United States. (Sec. 3169, R. S.)

Form 166 may be used for making these reports when practicable.

It is also the duty of every collector to report to the Commissioner in writing any neglect of duty, incompetency, delinquency, or malfeasance in office of any internal-revenue officer or agent of which he may obtain knowledge, with a statement of all the facts in each case, and any evidence sustaining the same. (Sec. 3163, R. S., as amended by sec. 2, act of March 1, 1879.)

COMPLAINTS BEFORE UNITED STATES COMMISSIONERS.

As a rule, complaints made by collectors or deputy collectors before United States commissioners of violations of law should be made before the commissioner nearest to the residence of the offender. It is only in rare instances, and for good reasons, that this office would sanction a departure from that rule.

APPROPRIATION FOR DISCOVERING VIOLATIONS OF INTERNAL-REVENUE LAWS.

An annual appropriation is made to carry out the provisions of section 3463, Revised Statutes, "for detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws, or conniving at the same, in cases where such expenses are not otherwise provided for by law."

This appropriation is made for the express purpose of obtaining information which will lead to the detection of violations of the internal-revenue laws, and of enabling the proper officers to employ extraordinary means to discover and suppress frauds. Its limited sum re-

quires in its expenditure the exercise of careful economy, but a judicious use of the amount available will, it is believed, bring to light many violations of law which otherwise would remain undiscovered, and to punishment guilty persons who would otherwise escape it, and result in materially increasing the collection of the taxes imposed by the internal-revenue laws.

Allowances from this appropriation are made by the Commissioner to such collectors and agents, in such sums and upon such conditions as he may deem necessary, to detect frauds and bring offenders to punishment, but only when, in his opinion, such discoveries and arrests can not be made by the ordinary means provided for the collection of taxes and the enforcement of the laws.

Application for an allowance from this appropriation should state specifically the necessity for it and contain an estimate of the amount required.

No expenditure chargeable thereto should be made, nor any liability for the same incurred by any collector or agent, until so authorized by this office.

When a fixed sum has been allowed to a collector or agent for a definite time, the expenditures during that period must not exceed the allowance. If the allowance is fouud to be inadequate, this office should be so informed, and application made for the sum required.

In no case can payments be made from the appropriation above named for services or expenses to any general or special deputy collector, or for any services or expenses which are otherwise provided for by law.

Whenever deputy marshals are employed by collectors or agents to assist in the discovery aud seizure of illicit stills, and claim is made for their compensation chargeable to the appropriation above referred to, the certificate of the marshals showing that their deputies thus employed made no arrests and became entitled to no payment from the marshals' fund for compensation or emoluments for any part of the period for which pay is claimed for services rendered the internal-revenue officers should accompany the account of the collector or agent.

Circular No. 99, third revision, offering a reward for information leading to the detection and punishment of persons violating the internal-revenue laws, is published in the appendix.

RECORD OF CASES IN SUIT.

A complete record should be kept by the collector of all internal-revenue cases in suit in his district, and of all violations of the internal-

revenue law reported to the United States district attorney, or reported to the Commissioner of Internal Revenue, except cases of slight and technical violations of law not requiring prosecution, and reported with the recommendation of "no prosecution."

Record No. 54 is prescribed and furnished for use for all such cases except proceedings *in rem*, and it is desired that the record of all suits on bonds and suits for taxes as well as proceedings for fines and penalties should be kept therein. The printed headings of the various columns indicate clearly the nature of the entries to be made in each case.

DUTY OF COLLECTORS TO LOOK AFTER CASES IN SUIT.

Collectors should not make the mistake of supposing that no further action is required of them after reporting cases to the district attorney. The duties of collectors do not cease when they have referred taxes to the district attorney for collection by suit, or when prosecutions have been instituted. They are expected to interest themselves in the cases after they are in court, to keep advised of their status, watch their progress, consult with the district attorney respecting them as occasion may offer or require, and furnish him with desired information when able to do so.

Collectors are required to frequently inspect the record of cases in suit, and as often as once every three months to obtain from the clerks of the district and circuit courts the status of each case, and they should collect whatever moneys may then be in the registry arising from internal-revenue cases in their district, asking, where necessary, the district attorney to procure an order of court therefor.

Collectors residing at a distance from the clerk's office should take the opportunity when attending court to call at the clerk's office and examine the docket for the purpose of obtaining information as to the status of such cases, or obtain the necessary data from the United States attorney. They will instruct their deputies to do the same.

In case of delay in bringing cases to trial, the cause should be ascertained and reported to this office by the collector.

PROPERTY SEIZED NOT TO BE RELEASED WITHOUT AUTHORITY.

The collector or other internal-revenue officer *has no authority, without the assent of the Department, to release, upon any terms whatever, property seized* and in his custody, except when a bond is given under the provisions of section 3459, Revised Statutes, a form for which is given in the appendix. Distilleries, however, can not be released upon such

bond. The only way by which they can be released before judgment is provided by section 3331, Revised Statutes.

When claimants of property seized give a bond under the provisions of section 3460, Revised Statutes, such bond does not have the effect to release the property. It simply takes the case into court, and the collector should turn the property over to the marshal.

PROPERTY TO BE TURNED OVER TO THE MARSHAL.

Property seized under the internal-revenue laws, if the value thereof exceeds the sum of $500, should be turned over to the marshal as soon as possible after seizure, so that the expenses of custody, etc., of the collector will be reduced to the minimum, as there is no provision for advancing to a collector any funds for such purposes. (Series 7, No. 2, Revised, p. 99.)

Collectors should take receipts from the marshal in all cases upon delivery of the property seized. When spirits which have been seized are turned over to the marshal they should be gauged so that in case of loss there will be no question as to where the responsibility lies.

The special attention of collectors is directed to the clause in section 3458, Revised Statutes U. S., which provides that "the cost of seizure made before process issues" from the court "shall be taxable by the court." Under this clause, collectors should be careful to render to the clerk of the court their bill of costs as soon as the marshal takes possession of the property, or very soon thereafter.

CERTIFICATE OF REASONABLE CAUSE OF SEIZURE.

It is a settled principle of law that the seizing officer acts at his peril, and that, unless he can show at least probable cause for any seizure he may make, he is responsible to the owner for damages sustained in case the seizure is judicially determined to have been made without lawful cause.

For the protection of revenue officers in the proper discharge of their duties, it is declared by section 970, Revised Statutes, that in any prosecution founded on a seizure made by any collector or other officer under any act of Congress authorizing such seizure, in which the judgment shall be for the claimant, if it shall appear to the court that there was a "reasonable cause of seizure," the court shall cause a proper certificate thereof to be entered; and, in such cases, the claimant shall not be entitled to costs, nor shall the person who made the seizure nor the prosecutor be liable to suit or judgment on account of such suit or prosecution.

It is held that a reasonable doubt as to the true construction of the law is sufficient to entitle the seizor to a certificate.

Protection afforded to officers by certificate of probable cause. (Averill *vs.* Smith, 17 Wall., 82; 17 Int. Rev. Rec., 171; Stacey *vs.* Emery, 7 Otto, 642; 24 Int. Rev. Rec., 378; Dunnagan *vs.* United States, 17 Ct. Clms., 247; 28 Int. Rev. Rec., 144.)

SUITS TO RESTRAIN ASSESSMENT OR COLLECTION OF TAX PROHIBITED

It is provided by section 3224, Revised Statutes, that "no suit for the purpose of restraining the assessment or collection of any tax shall be maintained in any court." (Snyder *vs.* Marks, 29 Int. Rev. Rec., 403.)

Under the provisions of section 934, "all property taken or detained by any officer or other person, under authority of any revenue law of the United States, shall be irrepleviable, and shall be deemed to be in the custody of the law, and subject only to the orders and decrees of the courts of the United States having jurisdiction thereof."

DESTRUCTION OF STILLS—REPORTS ON FORM 161.

The attention of collectors is called to the provisions of law (section 3332, Revised Statutes, amended by section 5 of the act of March 1, 1879), in regard to the destruction of stills and distilling apparatus seized for any offense involving forfeiture, where the distillery has a less producing capacity than one hundred and fifty gallons per day, and the apparatus is less than $500 in value, and it is impracticable to remove the same to a safe place of storage.

In the exercise of this power collectors and deputy collectors are enjoined to exercise due care and circumspection.

Reports must be made in every case of such destruction on Form No. 161.

The collector who sends this report will not be required to make a separate report of seizure on Form 117.

The law also requires that when a judgment of forfeiture, in any case of seizure, is recovered against any distillery used or fit for use in the production of distilled spirits, because no bond has been given, or against any distillery used or fit for use in the production of spirits, having a registered producing capacity of less than one hundred and fifty gallons a day, for any violation of law, of whatever nature, every still, doubler, worm, worm-tub, mash-tub, and fermenting-tub therein shall be so destroyed as to prevent the use of the same or any part thereof for the purpose of distilling; and the materials shall be sold as in case of other forfeited property.

These provisions apply in cases where stills are seized and sold under section 3460, Revised Statutes. (33 Int. Rev. Record, 397.)

REPORTS ON FORM 162.

Every collector in whose district any illicit distilleries are seized, will, on or before the tenth of the following month, send to this office a report, on Form 162, of the number of illicit distilleries seized, number of stills destroyed or removed for forfeiture, the number of persons arrested (if known); also, the casualties to officers or employés which have occurred in connection with the discovery and seizure of illicit stills during the preceding month.

Collectors will, by inquiring of United States commissioners, marshals, and other officers of the courts, inform themselves, as far as possible, of the number of persons arrested.

This report will be rendered in addition to, and not substituted for, reports on Forms 117 and 161, and such special reports as each case may seem to require.

SUITS AGAINST COLLECTORS AND OTHER OFFICERS.

Whenever any suit shall be brought against any officer of the United States in the internal-revenue service for any act by him done in his official capacity, and in the defense of which he may desire the aid of the district attorney, or by the determination of which the interests of the United States may be in anywise affected, such officer should, as soon as practicable, transmit to the district attorney the process served upon him, together with a clear statement of the circumstances out of which the suit has arisen; whereupon the district attorney will either assume the defense of such suit, or apply for instruction in relation thereto to the Commissioner, as may be required by the nature of the case.

In all suits or proceedings against collectors or other officers of internal revenue for any act done by them, or for the recovery of any money exacted by or paid to such officer, and by him paid into the Treasury of the United States, in the performance of his official duty, or in other cases where it is expected that the Government will assume the defense, such officer, in addition to notifying the United States attorney, will, at once, upon being served with process, forward to this office a copy thereof, together with a statement showing—

1. The nature of the claims made by the plaintiff, and the action of the officer which occasioned the suit.
2. The supposed amount sought to be recovered.

3. Whether the plaintiff duly appealed to the Commissioner, and when.

4. Any other matters tending to show the exact nature of the case, and the questions involved, including full information of the facts and circumstances upon which the suit is based.

If the action is brought in a State court, the officer should, at once, see that the necessary steps are taken to have the case removed to the United States circuit court, as provided by section 643, Revised Statutes.

JUDGMENTS AGAINST COLLECTORS AND OTHER OFFICERS.

Judgments in civil actions in the United States circuit court against collectors and other officers of the revenue, for acts done in the performance of their official duty, or for the recovery of any money exacted by or paid to them which shall have been paid into the Treasury, may be reviewed in the United States Supreme Court on writ of error or appeal, without regard to the sum or value in dispute. (Section 699, Revised Statutes.)

Section 989, R. S., provides that—

When a recovery is had in any suit or proceeding against a collector or other officer of the revenue for any act done by him, or for the recovery of any money exacted by or paid to him and by him paid into the Treasury, in the performance of his official duty, and the court certifies that there was probable cause for the act done by the collector or other officer, or that he acted under the direction of the Secretary of the Treasury, or other proper officer of the Government, no execution shall issue against such collector or other officer, but the amount so recovered shall, upon final judgment, be provided for and paid out of the proper appropriation from the Treasury.

It is the intent of this section that the direction to the collector shall shield him only when it has been given by some officer of the Government who has an undoubted authority to direct. A collector who acted pursuant to the request of a revenue agent, who made his request at the direction of the chief clerk of a supervisor, was held not entitled to a certificate. (Frerichs *vs.* Coster, 22 Fed. Rep., 637.)

The effect of this statute is, when a certificate is given, practically to convert the suit against the officer into a claim against the United States. (U. S. *vs.* Sherman, 25 Int. Rev. Rec., 198.)

Claims for sums of money recovered by suit against officers should be made upon Form 46. The claimant should state the grounds of his claim under oath, giving the names of all the parties to the suit, the cause of action, date of its commencement, the date of the judgment, court in which it was recovered, and its amount. To this affidavit

there should be annexed a duly certified copy of the record of the court in the case, and a certificate of probable cause.

SUITS FOR DAMAGES FOR INJURIES RECEIVED BY OFFICERS.

Any officer appointed under the internal-revenue law, or any person acting under or by authority of any such officer, may maintain suit for damages in the United States circuit court for injury received to his person or property while in the discharge of his duty. (Section 3171, R. S., amended by section 2, act of March 1, 1879.)

COMPROMISES AND REMISSIONS.

The Commissioner is authorized to compromise cases, civil or criminal, before suit, with the advice and consent of the Secretary of the Treasury, and also after suit commenced, and at any time before final judgment therein, with the advice and consent of that officer, and the recommendation of the Attorney-General. (Section 3229, Revised Statutes.)

This mode of settling cases is often resorted to in cases of unintentional violations of law.

In cases of violations occurring through ignorance or neglect, and where no intention to defraud the revenue can be fairly inferred, reasonable offers in compromise will be considered, but where the intention to defraud is manifest, the compromising powers will be slow to intervene to protect the offenders from the full legal consequences of their own acts.

The authority conferred by section 3229, Revised Statutes, to compromise internal-revenue cases does not permit the voluntary relinquishment of a part of a tax lawfully assessed upon and due from a solvent person or corporation. (16 Opin. Atty.-Gen., 249; 25 Int. Rev. Rec., 14.)

District Attorneys can not enter a *nolle prosequi* on payment of costs, without obtaining authority from either the Commissioner, the Secretary of the Treasury, or the Attorney-General, because such an entry is substantially a compromise. District Attorneys should correspond in the first instance with the Commissioner in such cases. (11 Int. Rev. Rec., 98.)

The power to compromise ceases after final judgment, so far as the Commissioner is concerned.

Parties desiring relief in such cases should make their application to the Secretary of the Treasury. (Sections 3469 and 5292, Revised Statutes.)

Neither the collector, nor any other officer than as above stated, has authority to compromise, adjust, or settle any charge or complaint for any violation or alleged violation of law.

Every officer or agent appointed and acting under the authority of any revenue law of the United States, who demands, or accepts, or attempts to collect, directly or indirectly, as payment or gift, or otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law, except as expressly authorized by law so to do, shall be dismissed from office, and shall be held to be guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than three years. (Section 3169, Revised Statutes.)

Every district attorney or marshal who demands, or accepts, or attempts to collect, directly or indirectly, as payment or gift or otherwise, any sum of money or other property of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of any provision of the internal-revenue laws, except as expressly authorized by law to do so, shall be held to be guilty of a misdemeanor, and shall be fined in double the sum or value of the money or property received or demanded, and be imprisoned for not less than one nor more than ten years. (Section 3170, Revised Statutes.)

There is no power in this office to compromise offenses committed by internal-revenue officers. (14 Opin. Atty.-Gen., 8, 43.)

Moneys received on offers in compromise must be deposited to the credit of the Secretary of the Treasury. The rule is, that no compromise in which a specific sum of money is offered will be considered at this Department until the said sum shall have been deposited to the credit of the Secretary of the Treasury. This deposit is a guaranty of good faith. In cases in suit a reasonable amount, sufficient in the judgment of the United States attorney to cover all costs, must also be deposited. If the offer is rejected, then the money so deposited will, on request made therefor, be returned to the parties offering it.

As soon as the terms of a compromise have been complied with, collectors should forward Form AA, properly executed, to the Secretary of the Treasury, and Form 167, Revised, to the Commissioner of Internal Revenue.

DISPOSITION OF PROCEEDS OF FINES, ETC.

The proceeds of all forfeitures, fines, and penalties paid to collectors of internal revenue should be deposited immediately to the credit of the Treasurer of the United States, and included in their next report on Form 58.

REGULATIONS REGARDING REAL ESTATE ACQUIRED BY THE UNITED STATES UNDER THE INTERNAL-REVENUE LAWS.

COMMISSIONER TO HAVE CHARGE, AND AUTHORIZED TO SELL AND LEASE

Section 3208, Revised Statutes, as amended by section 3, act of March 1, 1879, provides that—

The Commissioner of Internal Revenue shall have charge of all real estate which is now or shall become the property of the United States by judgment of forfeiture under the internal-revenue laws, or which has been or shall be assigned, set off, or conveyed by purchase or otherwise to the United States in payment of debts or penalties arising under the laws relating to internal revenue, or which has been or shall be vested in the United States by mortgage or other security for the payment of such debts, and of all trusts created for the use of the United States in payment of such debts due them.

And he is authorized, with the approval of the Secretary of the Treasury, to sell, at public vendue, and upon not less than twenty days' notice, all such real estate owned or held by the United States, and, until such sale, he is authorized, with the approval of the Secretary of the Treasury, to lease such real estate on such terms and for such period as they shall deem expedient.

THREE WAYS BY WHICH THE GOVERNMENT ACQUIRES TITLE TO REAL ESTATE UNDER THE INTERNAL-REVENUE LAWS.

There are three ways by which the Government acquires title to real estate under the internal-revenue laws:

1st. By purchase on sales under distraint by collectors.

2d. By purchase on sales by marshals under execution.

3d. By judgment of forfeiture.

1.—PURCHASE ON SALES UNDER DISTRAINT BY COLLECTORS.

Collectors are authorized by section 3196, Revised Statutes, to collect taxes by seizure and sale of real estate when the personal property of the delinquent tax-payer is not sufficient. They can seize and sell the lands of such person in other collection districts than their own, if within the same State. (Section 3200, Revised Statutes.)

Section 3197, Revised Statutes, as amended by section 3, act of March 1, 1879, prescribes the proceedings to be taken on seizure and sale of real estate. Collectors and deputy collectors conducting such business should be specially careful to see that these requirements are strictly complied with in every particular, as the title to the real estate sold may be defeated by a failure in this respect.

When the real estate seized consists of several distinct tracts or parcels, the collector or deputy collector who conducts the sale should offer

each tract or parcel for sale separately, and if he deems it advisable, apportion the expenses properly in estimating the minimum price for which it should be offered.

Section 3201, Revised Statutes, provides that any person whose estate may be proceeded against, as aforesaid, shall have the right to pay the amount due, together with the costs and charges thereon, to the collector or deputy collector at any time prior to the sale thereof, and all further proceedings shall cease from the time of such payment.

Proceedings in Chancery.

If the collector is of the opinion that it would be better in any case to have proceedings in chancery instituted to subject real estate to payment of tax under section 3207, Revised Statutes, instead of proceeding by distraint he should report the facts to the Commissioner in order that proper instructions may be given.

When the land is to be bid in for the United States.

Real estate seized under distraint and offered for sale should be offered at a minimum price, ordinarily one-half the cash value of the land, but in no case more than the tax, interest, and penalty, and all expenses of levy and sale, including all charges for advertising.

In case no person offers for said estate the amount of the minimum price, the officer should bid this amount for the United States.

If the proceeds arising from the sale of the land are all that are likely to be realized, somewhat more than half the then cash value may be bid, should it become necessary in order to save the tax.

Certificate of Purchase.

Upon the sale of the real estate and the payment of the purchase-money, the officer making the sale must give to the purchaser a certificate of purchase, setting forth the items required by section 3198, Revised Statutes.

If the collector bids in the property for the Government, he will immediately send the certificate of purchase to the Commissioner of Internal Revenue.

Redemption by Owner, etc.

The owners of any real estate sold as aforesaid, their heirs, executors, or administrators, or any person having any interest therein, or a lien thereon, or any person in their behalf, can redeem the land sold at any time within one year after the sale, as provided by section 3202, Revised Statutes. The amount to be paid to secure such redemption is

the amount paid by the purchaser, and interest at the rate of twenty per cent. per annum. If the land is thus redeemed, the collector will certify on his record the fact of such payment, and on demand give a copy of such certificate to the party redeeming.

If the property is not redeemed within one year, the collector or deputy collector is required to execute a deed to the purchaser upon his surrender of the certificate of purchase, which deed must recite the facts set forth in the certificate of purchase, and be prepared and executed in accordance with the laws of the State in which such real estate is situated upon the subject of sales of real estate under execution.

United States Attorney to prepare Deed to the United States.

Under the requirements of section 3197, Revised Statutes, as amended, the deed for the property, when the United States is the purchaser, must be prepared by the United States district attorney of the district in which the property is situated, and his approval as to its form must be indorsed by him thereon, and he should instruct the collector as to its execution.

Deeds to be Recorded and sent to Commissioner.

The deed will be executed in accordance with the law of the State by the collector or deputy collector who made the sale, who will also cause the same to be recorded in the proper registry of deeds, and then send it immediately to the Commissioner of Internal Revenue.

Cost of Recording—How paid.

The cost of recording will be paid by the collector, and his account therefor should be sent to this office, on Form 131, accompanied with the proper vouchers, for adjustment.

In case of Death or Removal of Officer making Sale.

In case of the death or removal of the officer making the sale, the person acting as collector of the district should, at the proper time, cause the proper deed to be made, executed, and recorded.

Custody during the Year allowed for Redemption.

The real estate sold, as aforesaid, should remain during the year allowed for redemption in the custody of the parties authorized to have possession by the laws of the State where the property is situated, as in the case of sales of real estate under execution.

In most of the States the purchaser is not entitled to possession until the expiration of the year.

When Collector takes Charge of the Property.

In cases where the Government is entitled to possession, the collector should take charge of the property at once, and so state upon his next monthly report, on Form 128.

In case the Government is not entitled to possession, and there is danger of waste, the collector should immediately advise the Commissioner of the condition of the property, that proper instructions may be given to the United States district attorney to take proceedings to enjoin the occupant from wasting.

Record of Seizures and Sales of Land.

It is the duty of every collector to keep a record of all seizures and sales of land made in his collection district, whether by himself or his deputies, or by another collector, in which shall be set forth the tax for which any such seizure or sale was made, the dates of seizure and sale, a copy of the notice of sale as served on the owner and as published, the name of the party assessed, and all proceedings in making said seizure or sale, amount of fees and expenses, the name of the purchaser and the date of the deed; and said record should be certified by the officer making the seizure or sale. The record should also show all subsequent changes touching the realty while in his possession; if rented, name of tenant, rent agreed upon, amount of rent collected, and date of collection.

This record is to be kept in Book No. 21, which will be furnished by this office upon application. It should be very carefully kept, and the book carefully preserved. And it is the duty of every deputy, making such seizure or sale, to return a statement of all his proceedings to the collector, and to see that it is recorded, and to certify the record thereof without delay. In case of the death or removal of the collector, or at the expiration of his term of office from any other cause, said record must be delivered to his successor in office. A copy of every such record, certified by the collector, is evidence in any court of the truth of the facts therein stated.

Collectors should, after making the entries in Book No. 21, be particular to add to the record their certificate, or have the deputy do so when the seizure or sale was made by him.

The collector is required to keep all papers relating to real estate in suitable jackets—one jacket for each piece of realty—properly indorsed for ready reference.

Reports on Form 128.

The collector is required to make a monthly report of seizures and sales of real estate to the Commissioner of Internal Revenue on Form No. 128.

This report should be an *exact* transcript of all entries made in the record of seizures and sales of real estate for the month, and should be transmitted on or before the fifth day of each succeeding month.

If there have been no entries made, or rents collected, during the month, report should be made on Form 128½.

If rent has been collected, special report thereof should at once be made by the collector, stating when and from whom received, and upon what property, and for what period. The money should be deposited to the credit of the Treasurer of the United States on account of miscellaneous fund arising from rents of real estate, and the certificate of deposit transmitted to the Commissioner.

2.—SALES BY MARSHALS ON EXECUTION.

Real estate may also be acquired by the United States under the internal-revenue laws by purchase by the marshal on sales under execution.

In case of levy on real estate under execution in internal-revenue cases, the marshal will at once report to the Commissioner, stating the facts relating to the levy, giving a full description of the property, and its estimated value, and stating in whose possession found, upon what terms kept, and all the circumstances of the case, whether it is probable that it may become necessary for the United States to purchase the same in order to protect its interests, and, if so, how much might be judiciously bid in behalf of the United States.

The Commissioner will then see that proper instructions and authorization are given.

At the time of sale, the officer will offer the property at a minimum price as instructed, and which shall not exceed the amount of the judgment and costs, including the costs and expenses of levy and sale. If no person offers, for said estate, such minimum price, the officer will declare the property purchased on behalf of the United States. Otherwise, the same will be declared to be sold to the highest bidder.

Reports by Marshal to Commissioner and Collector.

Should the United States become the purchaser of the property, the marshal will make an immediate report of his action in relation thereto to the Commissioner, and will immediately transmit to him his certificate of sale, according to the laws and usages in his district.

The marshal's report accompanying this certificate should set forth the name of the person who owned the property, the date and amount of the judgment upon which the execution was issued, a full and accurate description of the property levied upon, the date of levy, residence of owner, and date and mode of service of notice on him; also the name, date, and place of publication of the newspaper in which notice was published, with a copy of the advertisement, the place of sale, and the adjournments, if any; the date of sale, and amount for which sold; the date of issue of the certificate of purchase; a detailed statement of the expenses of levy, advertising fees, etc.; the marshal's estimate of the market value of the property, and any other facts he may deem important.

He will also make a similar report to the collector of the district in which the property is situated.

Where the property is sold to other than the United States, the marshal will make similar report to that above mentioned, with addition of name of purchaser, to the Commissioner of Internal Revenue.

The marshal, in making his report in either case, should also set forth the provisions of law in force in his district as to the redemption of land sold under execution, and state the length of time the defendant or any one in his behalf has in which to redeem, and who has the right of possession of the property during the existence of the equity of redemption.

Redemption.

The provisions for the redemption of land sold under execution differ in different States. The local State laws govern, unless otherwise determined by the rules of the United States district or circuit court. (Section 916, Brine *vs.* Hartford Fire Insurance Co., 24 Int.-Rev. Record, p. 243; 96 U. S. Reports, 627.)

Custody.

In case the Government has immediate possession of the property, the marshal will turn the custody of the same over to the collector of the district, and notify this office of his action.

If the defendant is allowed the right of possession during the period allowed for redemption, the collector should look after the interest of the Government, and, if necessary, take steps to prevent waste, as above stated.

Conveyance to the United States.

As soon as the period for redemption has expired, the property not having been redeemed, and the United States being entitled to a con-

veyance thereof, the marshal should execute his deed of the property to the United States, and cause the same to be placed on record, and immediately thereafter he will transmit such deed to the Commissioner and notify the collector for the proper district thereof.

The law does not provide for a fee to the United States attorney for preparing a deed in this case, but the marshal is expected to consult with such officer, and be careful to have the deed in the proper form, and to recite the necessary facts.

Collector to take Charge.

The property as soon as conveyed to the United States should be immediately taken in possession by the collector of internal revenue for the proper district.

Proceedings in Ejectment.

If necessary to take legal steps to recover possession of the land, the facts should be reported to this office for instructions as to proceedings in ejectment.

The collector, as soon as the property is deeded to the United States, will enter it in Book No. 21, and make report on Form 128, using the headings that are applicable, and making necessary additions, and thereafter render his report in the same manner as in case of lands acquired under distraint. When lands are redeemed, entry should be made in the record which the collector is required to keep.

Certificates of Purchase and Deeds to be sent to Commissioner.

All certificates of purchase, and deeds of property purchased by the United States under the internal-revenue laws, on sales for taxes, or under executions issued from United States courts, which now are, or hereafter may be, found in the office of any collector, United States marshal, or United States district attorney, should be immediately transmitted by such officers, respectively, to the Commissioner of Internal Revenue.

Real Estate owned by the United States may be Released within two years after its acquisition by deed.

Section 3208, Revised Statutes, as amended by section 3 of the act of March 1, 1879, provides that—

In cases where real estate has or may become the property of the United States by conveyance or otherwise, in payment of or as security for a debt arising under the laws relating to internal revenue, and such

debt shall have been paid, together with the interest thereon, at the rate of one per centum per month, to the United States, within two years from the date of the acquisition of such real estate, it shall be lawful for the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to release by deed or otherwise convey such real estate to the debtor from whom it was taken or to his heirs or other legal representatives.

This provision relates to real estate acquired by purchase on sales under distraint made by the collector, or under execution by the marshal, or otherwise becoming the property of the United States in payment of or as security for a debt or penalty arising under the internal-revenue laws.

The effect of this provision is not to prevent the United States from selling said real estate at any time after its acquisition, but to provide that so long as the property remains unsold by the United States the debtor from whom it was taken or his heirs or other legal representatives may redeem it, provided it is done within two years from the date of the acquisition by deed of such real estate, after which period the power of the Commissioner and Secretary to release or convey the same to the debtor or his representatives on payment of the debt and interest ceases.

When property is so released the collector will make the proper entry in the book which he is required to keep.

3.—REAL ESTATE ACQUIRED BY JUDGMENT OF FORFEITURE.

The law now provides that the Commissioner of Internal Revenue shall have charge of all real estate which becomes the property of the United States by judgment of forfeiture under the internal-revenue laws.

Collector to take Charge.

When real estate is forfeited by decree of court, it should be immediately placed under the charge of the collector of internal revenue for the proper district, to be sold by him, under instructions from the Commissioner of Internal Revenue.

Marshal's Report to Commissioner and Collector.

Marshals will immediately notify the Commissioner when such real estate has been so turned over by them to the collector, and make a report, which shall set forth the name and residence of the person who owned the property, the offense for which it was forfeited, the date of decree of forfeiture, the court making such decree, a full and accurate description of the property, and its location (town, county, and collec-

tion district), his estimate of its market-value, upon what terms it has been kept, and any other facts which may be deemed important. A similar report should be made by him to the collector of the district in which the property is situated.

Custody, Expense of, etc.

The property remains under the custody of the collector until sold. Immediate steps should be taken to dispose of it, as hereinafter mentioned.

No expense should be incurred in keeping such property, unless absolutely necessary, and then application should be made to this office for authority.

Record and Reports of Forfeited Real Estate.

The collector, upon taking possession of the property, will make entry of the same on his Book No. 21, and thereafter report it on Form 128, using such printed headings as are applicable, and making such other proper entries as are necessary to show the facts.

REAL ESTATE OWNED BY THE UNITED STATES TO BE SOLD.

It is desired by this office to dispose of all real estate under its charge as soon as possible after it has been deeded to the United States, or acquired by decree of forfeiture.

Collectors are, therefore, instructed to give such publicity to the wishes of the Commissioner to sell or lease these lands, as can be given without expense to the United States, such as by furnishing items to the local newspapers, posting written notices in their office, or the office of their deputies, or by other appropriate methods.

Whenever any reliable person will promise, in writing, to offer a stated sum for the quit-claim deed from the Government of any tract so belonging to it, provided the same shall be advertised and offered for sale as prescribed by section 3208, as amended, collectors will at once inform this office of the fact, giving an abstract from their records by which the property can be identified, with their opinion whether the offer is a fair and reasonable one, and whether they recommend its acceptance as a basis for advertising the property for sale.

If the offer should be deemed a proper one by the Commissioner, and the Secretary of the Treasury approves thereof, the property will be offered for sale.

SALE BY COLLECTOR.

When such real estate is thus offered for sale by collectors under the express instructions of the Commissioner, they will advertise the property, giving at least twenty days' notice prior to day of sale; and on the day of sale, and before offering the property, will publicly state that the Government gives only a quit-claim deed to the purchaser. In case the collector can not otherwise obtain such a description of the real estate as would be required in a deed of the property, he may employ a competent practical surveyor to establish the metes and bounds and compute the area of the property, and may pay him therefor his reasonable fees.

Immediately after sale of the property, the collector will address this office a letter setting forth in detail—

1st. The place where the property was sold to the United States, the date of sale, and by whom the property was declared purchased for the United States, or, if it was forfeited, the date of the decree of forfeiture, the court making such decree, and the name and residence of the claimant in court, or former owner, if known.

2d. If acquired by purchase, the date of the deed executed to the United States, by whom it was executed, and upon what date it was transmitted to this office.

3d. The date of the letter ordering present sale by the Government.

4th. The date and place of said sale.

5th. The full name of the purchaser, and the amount for which the property was sold to him.

6th. The disposition of the purchase-money; which money should be deposited to the credit of the Treasurer of the United States as a miscellaneous receipt, arising from the sale of land acquired under the internal-revenue laws, and should not be included in any branch of the collector's revenue account. The duplicate certificate of deposit should be forwarded with the letter.

7th. The best possible description of the property, in order that the deed to the purchaser may be properly drawn.

EXPENSES OF SALE.

The expenses attending the sale must not be deducted from the amount received, but a special account, accompanied by proper vouchers, should be sent to this office for adjustment.

REAL ESTATE TO BE LEASED WHERE SALES CAN NOT BE EFFECTED.

All real estate so in possession of the collector may, if practicable, be leased; and in such cases, as well as in all cases where sales can not

be effected, it is desired that the collector take the necessary steps to secure tenants, and to forward proposals, in writing, of parties wishing to lease the property, with his opinion as to their offer being such as this office should consider favorably, with his reasons for the same.

The money received as rents from leased property should be deposited in the same manner as moneys accruing from the sale of such lands made as aforesaid, and should be reported on Form 128.

NOT SUBJECT TO STATE OR MUNICIPAL TAXATION.

Real estate purchased by the Government is not subject to State and municipal taxation after it has become the property of the United States. (Van Brocklin *vs.* State of Tenn., 117 U. S. Reps., 151.)

MISCELLANEOUS.

District attorneys, marshals, and collectors are expected to co-operate actively, vigorously, and heartily in the suppression of frauds upon the internal revenue, observing, at the same time, caution, prudence, and economy.

PROPERTY OR CLAIMS OWNED BY UNITED STATES, AND DEFAULT OF OFFICERS.

District attorneys, marshals, and collectors of internal revenue will report to the Commissioner the existence and situation of any property belonging to the United States, by reason of violation of the internal-revenue laws, which is not in the care of any officer or agent of the Government, to the end that it may be protected and preserved. If either of them shall discover that any claim in favor of the Government, not in his hands, can be collected, he will report to the Commissioner and recommend the best mode of proceeding. They will also report immediately to the Commissioner any default of a district attorney, clerk, marshal, or collector, or other person engaged in the collection of any debt due to the United States under the internal-revenue laws, or in the disbursement of any money collected in such cases.

PRIVILEGED COMMUNICATIONS—SUBPŒNA TO PRODUCE RECORDS, ETC.

Official correspondence between the Commissioner of Internal-Revenue and a district attorney, in relation to cases of violation of the internal-revenue laws and to prosecutions thereunder, belong to that class of communications which, on grounds of public policy, are regarded as privileged, and the production of which in evidence, in a suit between private parties, the law will not inforce.

A subpœna *duces tecum*, issued by a State court, was served upon a district attorney, requiring him to appear as a witness in a private suit and bring with him all letters and telegrams received from the Commissioner of Internal Revenue relative to certain causes then pending in a United States court on indictments under the internal-revenue laws: *Advised* that it would be proper for the attorney to appear before the State court in obedience to the writ, and there object to produce the papers on the ground that they are privileged, if, in his judgment or in that of the Commissioner, their production would be prejudicial to the public interests. (15 Opin. Att. Gen., 378; 23 Int. Rev. Rec., 341.)

Official communications privileged from disclosure on the ground of public policy. (Gardner *vs.* Anderson, 22 Int. Rev. Rec., 41.)

Privileged records, documents, or communications. (15 Opin. Att. Gen., 378, 415, 562; 16 *ibid.*, 24; 24 Int. Rev. Rec., 178.)

A State court has no right to compel by subpœna a collector to produce the records of his office for use in trial of persons indicted for violating State laws. (Letter to Collector Page, March 31, 1888, 34 Int. Rev. Rec., 261.)

UNITED STATES OFFICERS FORBIDDEN TO PROSECUTE CLAIMS AGAINST THE UNITED STATES.

The law for the punishment of a United States officer who acts as agent or attorney for the prosecution of any claim against the Government, or in any manner or by any means otherwise than in discharge of his proper official duties, aids or assists in the prosecution of any such claim, or receives any gratuity in consideration of having assisted in the prosecution of such claim is very stringent. (Sections 1782, 5498, Revised Statutes.)

DISPATCH URGED IN FORWARDING PAPERS.

Receipts, notices, returns, or other papers required to be sent to the office of the Commissioner, must be forwarded at the earliest practicable moment.

RULES AS TO CORRESPONDENCE.

I. All official letters, reports, and communications should be carefully folded and properly indorsed, and the number of inclosures should be stated on the outside paper, and secured by an elastic band.

II. All communications to this office must be addressed to the Commissioner of Internal Revenue, without regard to the fact that letters are often signed by an acting or deputy commissioner or chief clerk.

III. In forwarding reports to this office required by law or regulations, it is not necessary to send any communication, unless such reports require explanation; but duplicate forms, copies of papers, affidavits, or other miscellaneous matter, should never be sent without an explanatory letter.

IV. To avoid delay in consulting the records, and to insure the continuation of correspondence through the proper channels, officers are requested, when replying to letters from this office, to give, in addition to the date of the letter to which they reply, the marginal initials that appear upon it, both at the head and *foot* of the first page. If previous letters have been written on the same subject, to which it is necessary to refer, the dates and marginal initials of the same should be given.

V. Each subject should be presented to this office in a separate letter, with a view to a more prompt reference to the proper division and a more ready reply than can otherwise be obtained.

JOHN W. MASON,
Commissioner.

Approved:
WILLIAM WINDOM,
Secretary of the Treasury.

APPENDIX.

Blank Forms and Books.

Form No.

112. District attorney's report to Commissioner of commencement of all criminal and civil actions, including actions *in rem*, arising under the internal-revenue laws.

113. District attorney's term report to Commissioner of proceedings in all internal-revenue cases, civil and criminal, had in court during the term, those pending, and their condition.

114. Marshal's report to Commissioner of receipt of mesne process.

115. Marshal's report to Commissioner of receipt of final process.

116. Marshal's report to Commissioner of proceedings under final process.

158. United States clerk's quarterly report of moneys paid into court in internal-revenue cases.

207. United States commissioner's report of violation of internal-revenue laws.

117. Report by collector of seizures for violations of law. To be made to the Commissioner of Internal Revenue immediately after the seizure shall have been made.

128. Report of collector of seizures and sales of real estate. The report is a transcript of all entries made in Record No. 21 during the month.

128½. Collector's monthly certificate that there have been no transactions in relation to real estate to report on Form 128.

161. Officer's report of destruction of distillery apparatus, etc. [Section 3332, R. S., as amended by sec. 5, act of March 1, 1879.] The collector who sends this report will not be required to make a separate report of seizure on Form 117.

162. Officer's report of illicit stills seized, etc.

166. Officer's report of violations of the internal-revenue law.

167. Collector's report of certain moneys received in internal-revenue cases. This report should be forwarded to the Commissioner of Internal Revenue immediately upon the receipt of any moneys paid to the collector on account of any case arising under the internal-revenue laws in which proceedings have been instituted in court or before a United States

Form No.

commissioner, and in each case of compromise, whether in suit or not, as soon as the terms of compromise have been fully complied with.

209. Collector's quarterly report of seizures and sales of personal property.

210. Collector's report of sales of personal property.

51½ *b*. Report of condition of taxes in suit.

129. Collector's summons to testify.

130. Collector's summons to testify and produce books, etc.

211. Claim for reward under Circular No. 99 and its revisions.

Book No.

21. Record of Seizures and Sales of Real Estate. This is the record required by section 3203, Revised Statutes. The report on Form 128 should be an exact transcript of the monthly entries therein.

44. Record of Seizures and of Sales of Personal Property. The first one hundred pages of this book should contain a record of all seizures made by collectors except seizures under warrant of distraint, including both real and personal property, and of all sales made by collectors of personal property thus seized. The last twenty pages of this book are headed and ruled for use in recording all seizures and sales of personal property made under warrant of distraint, and all such transactions should be entered therein. The printed headings indicate the nature of the entries to be made in each case.

54. Record of Suits and Proceedings for Violation of Law. In this book should be kept a complete record of all suits and proceedings arising under the internal-revenue laws except proceedings for the seizure and sale of real estate kept in Record 21.

FORM OF BOND AUTHORIZED BY SECTION 3459, R. S., FOR RELEASE OF PROPERTY SEIZED UNDER SECTION 3453, R. S.

Know all men by these presents, that we ——— ———, ——— ———, are held and firmly bound unto the United States of America, in the full and just sum of ——— dollars, money of the United States; for which payment, well and truly to be made, we bind ourselves, jointly and severally, our heirs, executors, and administrators, firmly by these presents. Sealed with our seals, and dated this —— day of ———, in the year one thousand eight hundred and ninety——.

The condition of the foregoing obligation is such that, whereas ——— ———, collector of the —— district of the ———of ———, has seized, by virtue of the 3453rd section of the Revised Statutes of the United States, as enacted June 22, 1874, the following-named and inventoried goods and chattels, wares, and merchandise, as forfeited to the United States, and the same on application made by ——— ———, to ——— ———, collector of the said district, to examine the said property, on the ground that it may [be liable to perish, or become greatly reduced in value by keeping, or can not be kept without great expense, *as the case may be*,] has been found by the said collector necessary to be sold to prevent such [waste or expense, as the case may be;] and whereas he, the said collector, has appraised the said property, as hereinafter set forth; that is to say, [Here follows inventory;] and whereas the said ——— ——— alleges ——— ——— to be the owner of said property, so seized and inventoried as aforesaid, and the same, at the ensealing and delivery hereof, is returned to ——— ———, as the owner thereof:

Now, therefore, if the said ——— ——— shall well and truly abide the final order, decree, or judgment of the court having or taking cognizance of the claims of the United States upon the said goods, chattels, wares, and merchandise seized as forfeited as aforesaid, and pay the amount of said appraised value of said property, as he or they may be ordered and directed by said court, then the above obligation shall be void, and of no effect, otherwise to be and remain in full force and virtue.

——— ———, [SEAL.]
——— ———, [SEAL.]
——— ———, [SEAL.]

Signed, sealed, and delivered in our presence.

——— ———.
——— ———.

Circular No. 99—3d Revision.

Rewards for information leading to the detection and punishment of persons violating internal-revenue laws.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, November 6, 1883.

Under and by virtue of the provisions of the three thousand four hundred and sixty-third section of the Revised Statutes of the United States, as enacted June 22, 1874, which authorize the Commissioner

of Internal Revenue, with the approval of the Secretary of the Treasury, to pay such sums as he may deem necessary, not exceeding in the aggregate the sum appropriated therefor, for detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws, or conniving at violations of the same, in cases where such expenses are not otherwise provided for by law, I do hereby, with the approval of the Secretary of the Treasury, offer for information given by persons other than officers of internal-revenue, or persons appointed or employed in, or acting in connection with, the internal-revenue service, that shall lead to the detection and punishment of persons guilty of violating the internal-revenue laws, or conniving at the same, whether such punishment be by fine or other pecuniary mulct or penalty, or by forfeiture of property, such reward as the Commissioner of Internal Revenue may deem suitable, but in no case exceeding ten per centum of the net amount of the fines, penalties, forfeitures, and taxes, which, by reason of said information, shall be recovered by suit or otherwise and actually paid to the United States, or of any sum which shall be accepted in compromise by the Commissioner of Internal Revenue and received by the United States:

Provided, That nothing herein contained is intended, or shall be held, to refer to information concerning taxes on legacies and successions, under acts in force prior to October 1, 1870, or under section 3438 of the Revised Statutes of the United States; and so much of circulars heretofore issued as offers a reward for information concerning such taxes is hereby revoked:

And provided further, That nothing herein contained is intended, or shall be held, to relate to information concerning illicit distillation of spirits in the States of North Carolina, South Carolina, Georgia, Alabama, Mississippi, Tennessee, Arkansas, Missouri, Kentucky, Virginia, and West Virginia, other and more effective methods for the suppression of illicit distillation in those localities being now in operation there.

The reward hereby offered will be paid in cases which are settled in court, upon the duly authenticated certificate of the United States district attorney having charge of the case or cases, that the person claiming is the person who furnished the information which led to the detection and punishment of the violations of law for which the recovery was had, and upon such other and additional proofs as the Commissioner may require.

In cases in which property seized, being of the appraised value of five hundred dollars or less, is disposed of by the collector under the provisions of section 3460 of the Revised Statutes, the certificate of the collector to that fact will be received, and also to the fact that the person claiming the reward is the person who furnished the information leading to such a forfeiture.

The rewards hereby offered must be understood to be limited in their aggregate to the sum appropriated therefor.

This offer will apply to cases in which the information has been or shall be given on or after the 15th day of November, 1883.

WALTER EVANS,
Commissioner.

Approved:
H. F. FRENCH,
Acting Secretary of the Treasury.

The attention of district attorneys, clerks of United States courts, marshals, and officers of internal revenue is called to the following provisions of law:

Section 3215, R. S.—Duty of Commissioner to establish regulations for the observance of district attorneys, marshals, etc.
Section 3164.—Collectors to report to district attorneys violations of law.
Section 3169. Collectors to report violations of law to Commissioner.
Section 838.—Duty of district attorneys in case of violations of law.
Section 771.—Duties of district attorneys to prosecute delinquents and appear for revenue officers.
Section 774.—District attorneys to make reports to Commissioner of Internal Revenue.
Section 3213.—Suits, etc., for fines, penalties, forfeitures, and taxes. Duty of collectors.
Section 3214.—Suits for taxes, etc., not to be brought without sanction of Commissioner.
Section 732.—Where suits for penalties and forfeitures are to be brought.
Section 1, act of August 13, 1888 (25 Stat., 433).—Where civil suits are to be brought.
Section 3224.—Suits to restrain assessment or collection of taxes not allowed.
Section 3207.—Proceedings in chancery to subject real estate to payment of tax.
Section 3226.—Suits for recovery of taxes wrongfully collected.
Act of March 3, 1887 (24 Stat., 505).—Suits against the Government; District and Circuit Courts concurrent jurisdiction with the Court of Claims.
Section 3227.—Limitation of suits for recovery of taxes wrongfully collected.
Act of July 5, 1884 (23 Stat., 122).—An act to limit the time within which prosecutions may be instituted against persons charged with violating internal-revenue laws.
Act of August 8, 1888 (25 Stat., 387).—Limitation of time within which suits must be brought against sureties on official bonds, five years.
Section 724.—As to power to produce books and papers in action at law.
Section 5, act of June 22, 1874 (18 Stat., 187).—Production of books, papers, etc., in suits other than criminal.
Section 1, act of August 15, 1876 (section, 3163 *a*, Compilation of 1889).—Examination of persons, books, papers, etc.
Section 3177.—Officers may enter premises where taxable articles are kept.
Section 3462.—Search warrants.
Section 643.—Removal of suits against officers or persons to United States court.
Section 9, act of March 1, 1879 (section 3281 *a*, Compilation of 1889).—Arrest of illicit distillers by marshal.
Section 1014.—Offenders against the United States, how arrested and removed for trial.
Sections 3229 and 3469.—Compromises.
Sections 5292 and 5293.—Remissions.
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Section 3216.—Moneys recovered by suits to be paid to collectors.

Section 3617.—Moneys to be paid into the Treasury without deduction.

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Sections 3177 and 3276.—Obstructing or hindering officer in executing law.

Section 5518.—Conspiracy to prevent persons from accepting office under the United States, or from discharging the duties thereof, or to injure them in person or property on account of the lawful discharge of such duties; punishment.

Section 3171, as amended by section 2, act of March 1, 1879.—Officers suffering injuries may maintain suit for damages.

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Section 3169.—Revenue officers guilty of extortion, receiving unlawful fees, etc.; penalty.

Section 3170.—District attorney or marshal accepting anything for compromising, adjusting, or settling violations of internal-revenue laws; punishment.

Sections 1782 and 5498.—Officers interested in prosecuting claims; punishment.

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Section 3167.—Internal-revenue officer disclosing operations of manufacturers.

Section 3168.—Internal-revenue officer being interested in certain manufacturing.

Section 1780 and 3169.—Collectors neglecting duties and failing to make reports.

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Section 5490.—Loaning, using, converting, improperly depositing public money.

Section 5491.—Failure of officer having public money to render accounts.

Section 5492.—Failure of person having public moneys in possession to deposit when required.

Section 5497.—Person not authorized receiving public money on deposit or as loan.

Section 5497.—Using, transferring, converting public money unlawfully.

Section 5497.—Officer or employé and others embezzling public money.

Section 5505.—Persons unlawfully receiving moneys belonging in registry of courts.

Section 5448. act of April 18, 1884 (23 Stat., 11), 5448 *a*.—Compilation of 1889. Falsely assuming to be a revenue officer.

Section 5484.—Extortion by internal-revenue informers.

Section 5403.—Destroying, carrying away, etc., public records.

Section 5408.—Destroying records by officer in charge.

Section 5438.—Making false or fraudulent claims.

Section 6, act of August 15, 1876 (19 Stat., 169).—Penalty for officers and employés giving to or receiving from other officers money, etc., for political purposes.

Section 11, 12, 13, 14, and 15, act of January 16, 1883 (22 Stat., 403), (civil-service act).—Officers, etc., soliciting assessments, subscriptions, or contributions for political purposes from clerks and employés prohibited.

Series 7, No. 13.—Revised February 4, 1888.

UNITED STATES INTERNAL REVENUE.

REGULATIONS

FOR THE

ALLOWANCE OF DRAWBACK

OF

INTERNAL-REVENUE TAXES

ON

EXPORTED MERCHANDISE, OTHER THAN DISTILLED SPIRITS AND TOBACCO, SNUFF, AND CIGARS.

FEBRUARY 4, 1888.

WASHINGTON:
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NOTICE.

The subjoined regulations embrace the regulations (series 7, No. 13) of March 21, 1879, and the various supplemental regulations thereto, with the following additional modifications and provisions:

(1) For the exportation of fermented liquor in original stamped packages containing more than 63 gallons each.—(See articles 4 to 7, inclusive.)

(2) For the use of bonds in the bottling of fermented liquor for export in lieu of immediate personal supervision of a deputy collector, when such officer's attendance can not be procured without injurious delay.—(See articles 8 to 23, inclusive.)

(3) For the affixing of export labels to cases containing fermented liquor in bottles (article 10), and for the allowance of drawback of tax represented by such labels when duly verified.—(See article 14.)

(4) For the administration of the prescribed oath to the exporter by a collector of customs or other duly authorized officer.—(See article 31.)

(5) For an allowance of the drawback due in all cases on the prescribed proofs of inspection lading and clearance, *except* where the article named in the exporter's entry is *omitted from the outward manifest of the exporting vessel or car*, in which latter case additional proof of landing of the article in a foreign country is required.—(See article 42.)

(6) For the exportation of several lots of fermented liquor, not exceeding ten in number, under one entry, when the amount of drawback claimed on each lot does not exceed $25.—(See articles 51 to 56, inclusive.)

(Series 7, No. 13.—Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

FOR THE

ALLOWANCE OF DRAWBACK OF INTERNAL-REVENUE TAXES ON EXPORTED MERCHANDISE (OTHER THAN DISTILLED SPIRITS,* TOBACCO, SNUFF, AND CIGARS †).

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, February 4, 1888.

STILLS.

Section 3244, Revised Statutes, as amended by section 10 of the act of March 1, 1879, provides that "upon all stills manufactured for export, and actually exported, there shall be allowed a drawback, where the tax thereon has been paid, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe."

Act March 1, 1879, section 10, providing for drawback of tax on stills when exported.

FERMENTED LIQUORS.

Section 3441, Revised Statutes, as amended by section 17 of the act of March 1, 1879, and section 1, act of March 3, 1883, provides "there shall be an allowance of drawback on fermented liquors * * * on which any internal tax shall have been paid, * * * equal in amount to the tax paid thereon, and no more, when exported, to be paid by the warrant of the Secretary of the Treasury on the Treasurer of the United States, out of any money arising from internal duties not otherwise appropriated: *Provided*,

Section 3441, Revised Statutes, as amended, providing for drawback of tax on fermented liquor when exported.

* For Spirit-drawback regulations, see appendix to regulations, series 7, No. 7.

† For drawback regulations relative to tobacco, snuff, and cigars see regulations, series 7, No. 8, revised.

That no allowance of drawback shall be made for any such articles exported prior to March 31, 1868. The evidence that any such tax has been paid as aforesaid shall be furnished to the satisfaction of the Commissioner of Internal Revenue by the person claiming the allowance of drawback, and the amount shall be ascertained under such regulations as shall be prescribed from time to time by the Commissioner, under the direction of the Secretary of the Treasury. And the said Secretary may make such regulations with regard to the form of certificates of drawback, and the issuing thereof, as he may deem necessary."

Regulations to be prescribed by Commissioner of Internal Revenue, with approval of Secretary of the Treasury.

Section 3442, Revised Statutes, providing for issuing of drawback certificates.

Section 3442 provides that "certificates of drawback, issued in pursuance of the preceding section, may, under such regulations as may be prescribed by the Secretary of the Treasury, be received by the collector or his deputy in payment of taxes imposed by this title."

Section 3443, Revised Statutes, Penalties for fraudulently claiming drawback.

Section 3443 provides that "whenever any person fraudulently claims or seeks to obtain an allowance of drawback on goods, wares, or merchandise on which no internal duty shall have been paid, or fraudulently claims any greater allowance of drawback than the tax actually paid as aforesaid, he shall forfeit triple the amount wrongfully or fraudulently claimed, or sought to be obtained, or the sum of $500, at the election of the Secretary of the Treasury."

PRELIMINARY STEPS TO BE TAKEN BEFORE ENTRY FOR EXPORT.

I.—Stills.

Words "For export" to be stamped or branded on stills.

Article 1. As the allowance of drawback authorized by section 3324, Revised Statutes, above quoted, is restricted to stills "*manufactured for export and actually exported*," every manufacturer of stills intended for exportation will brand or stamp upon each still, and in a conspicuous place, the words "For export." When such stills are manufactured from metal plates, the words "For export" will be stamped thereon with a suitable die (the letters of which must in no case be less than one-half inch in length), and directly under the manufacturer's name, which must also be stamped, or otherwise permanently affixed to each still.

Where the still is constructed of or encased in wood, the manufacturer's name, as also the words "For export," will be branded thereon.

Manufacturer of stills to notify collector of intention to export.

Art. 2. After the completion of the stills, and before the same are removed from the place of manufacture, the manufacturer will forward to the collector of his district the following notice:

——— ———,
———, ———, 18—.

SIR: You are hereby notified that the following-described stills, manufactured by me [or us] on or about the —— day of ———, 18—, are now in my [or our] manufactory at ———, from which they have never been removed, and that the same are intended to be exported to ———, by *———. [Here describe the number, kind, and capacity of each.] ———. Form of notice.

——— ———.

ART. 3. Upon the receipt of such notice, and upon the payment of the tax due, the collector will, by himself or deputy, proceed to the place of manufacture, and will, if the stills are found to agree with those described in the notice, and are properly stamped or branded as here required, indorse upon such notice the following certificate, which notice and certificate will be immediately forwarded to the Commissioner of Internal Revenue. Tax to be paid on stills. Stills to be inspected by internal revenue officer before removal for export.

———, ———, 18—. Return of inspection.

I hereby certify that the stills herein described were duly inspected by me; that the tax due thereon has been paid, and that stamps Nos. —, —, —, were issued therefor on the —— day of ———, 18—.

———,
Collector.

In filing the export entry and affidavit, Form A (see art. 31), the manufacturer or exporter of the stills will affix to the original entry the stamps upon which drawback is to be claimed. Stamps issued for stills to be filed with exporter's entry.

II.—INSPECTING, MARKING, AND BRANDING FERMENTED LIQUORS IN ORIGINAL CASKS OR PACKAGES CONTAINING MORE THAN SIXTY-THREE GALLONS EACH.

ART. 4. When the brewer or owner of fermented liquor desires to export the same in casks or packages of a capacity exceeding one hogshead (63 gallons) he will, prior to the removal of such liquors from the brewery and before the proper tax-paid stamps are affixed, notify the collector of internal revenue of the district of the fact, stating in such notice the location of the brewery where such liquor is stored and the number and size of the packages to be so exported. Notice of intention to export to be filed by brewer or owner of liquor.

ART. 5. Upon the receipt of such notice the collector will detail a deputy to inspect the packages described therein, and, after ascertaining the quantity of liquor contained in each, to cause the proper tax-paid stamp to be affixed to each such package, and in such a way as to cover all spigot-holes or other openings through which the liquor may be withdrawn, and, as nearly as possible, in the manner prescribed in section 3342, Revised Statutes, where the liquor Liquor to be inspected by officer before removal from brewery. Stamps to be affixed to packages.

* Here describe mode of conveyance.

is intended to be removed for sale or consumption in this country. The stamps to be used for each such package will be of the highest denomination (one hogshead) for all quantities divisible by 63, and of the next higher denomination (one barrel) for a fractional part of a hogshead, not exceeding one barrel of 31 gallons. Should the fraction exceed 31 gallons, the same will be treated as a hogshead, and the appropriate stamp used therefor.

Denomination of stamps to be used.

Packages to be numbered in consecutive order and to be marked "For export."

ART. 6. After the packages have been so inspected and stamped, the deputy will then cause such packages to be numbered in serial order, so that no two packages at any one brewery will bear the same number, and to be marked or branded with the words "FOR EXPORT," the figures and letters of such marks and brands to be of not less than one inch in length. The deputy will then make a memorandum in duplicate of all such packages, showing the name of the brewer, the serial number and size of each package, the date of inspection, and the number and denomination of the several stamps affixed to each, one copy of which memorandum will be retained by the collector of the district, and the other copy forwarded to the Commissioner of Internal Revenue.

Memorandum of inspection to be made by officer and forwarded to Commissioner of Internal Revenue.

Liquor to be entered for export upon arrival at port of export.

ART. 7. Upon the arrival of the liquor at the port of export, the same will be entered for export, and will be inspected, laden, and cleared as in other cases of exportation of fermented liquors in original packages.

Liquor marked for export liable to seizure if sold in the United States.

The privilege here accorded will be restricted to liquors withdrawn for exportation and actually exported, and any such casks or packages removed from the brewery for any other purpose will be liable to seizure.

III.—BOTTLING FERMENTED LIQUORS IN THE ABSENCE OF AN INTERNAL-REVENUE OFFICER UPON GIVING THE PRESCRIBED BOND.

ART. 8. When, in the opinion of the collector of internal revenue, the bottling of fermented liquors under the immediate supervision of a deputy collector, as hereinafter provided, is disadvantageous, owing to delays in obtaining the attendance of that officer, or by reason of the time required to complete the bottling of such liquor, the collector may permit the bottler to bottle for export without the attendance of the officer named, upon filing a bond in duplicate, with sureties satisfactory to the collector, and in the form following, one copy of which bond will be retained by the collector, and the other copy forwarded to the Commissioner of Internal Revenue with the collector's approval indorsed thereon:

Bottler to file bond with collector where liquor is to be bottled without the immediate supervision of officer.

Duplicate bond to be forwarded to Commissioner of Internal Revenue.

Bond—Form I.

(Fermented liquor to be bottled for export.)

No. ——.

Form of bond.

Know all men by these presents, that we, ——— ———, as principal, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals, at ———, this —— day of ———, 18—.

The condition of this obligation is such, that whereas the aforesaid principal intends to engage in the business of bottling for export from the United States certain fermented liquor upon which a drawback of the internal revenue tax paid thereon is intended to be claimed: Now, therefore, if the said principal shall faithfully and fully comply with all the requirements of the regulations of the Treasury Department respecting the bottling, casing, labeling, and accounting of fermented liquor for export, and will likewise truly account for all tax-paid stamps removed from the original packages from which such liquor is to be withdrawn into bottles at the time and in the manner required by said regulations, then this obligation to be void; otherwise to remain in full force and virtue.

——— ———. [SEAL.]
——— ———. [SEAL.]
——— ———. [SEAL.]

Signed, sealed, and delivered in the presence of—

——— ———.
——— ———.

Penalty of bond to be not less than $1,000.

Art. 9. The penal sum of the foregoing bond must at least equal the amount of tax on the estimated quantity of liquor to be bottled by the principal during a period of three months, and in no case less than $1,000. In case the penalty of the bond given is found to be insufficient, or in case of death, insolvency, or removal of either of the sureties, or for any other good cause, the collector of the district will require a new and satisfactory bond to be executed, and will forward a copy thereof to the Commissioner of Internal Revenue as in the case of an original bond.

New bond to be required in certain cases.

Export labels to be furnished bottler by collector.

Art. 10. Upon the execution and the approval of the prescribed bond, and upon the receipt of a requisition therefor, the collector will furnish the bottler with labels of the following description (to be furnished collectors for this purpose) to be affixed by the bottler to all cases of bottled liquor to be removed from his bottling establishment for export, and in the manner hereinafter prescribed. The supply of labels to be furnished on each requisition must not

exceed the estimated number of cases to be packed for export during a period of three months from the date of such requisition.

Form of export label.

Form 229—Internal Revenue.

FERMENTED LIQUORS BOTTLED FOR EXPORT.

—— doz. pint bottles ..... } Net drawback claimed,
—— " quart " ..... } _____Dollars __ cents.

Serial No. .....

N. B.—Quantity and amount to be filled in by bottler, and label to be destroyed when intention to export is abandoned.

[For method of computing drawback see article 14.]

Memorandum of liquor bottled for export to be made by bottler.

ART. 11. After having filed the bond and obtained the labels as above provided for, the bottler may then proceed to bottle his liquor, at such times and in such quantities as may suit his convenience, and without further notice to the collector. But a memorandum must be made and preserved by the botttler of *each lot bottled for export*, showing:

(*a*) The number and size of the original packages.

(*b*) The name of the brewer.

(*c*) The denomination of the tax-paid stamp affixed to the package, and the date of the cancellation thereof.

(*d*) The date when packages were tapped and pieces of tax-paid stamps removed.

(*e*) The number and size of the bottles into which the liquor is withdrawn, and

(*f*) The number of cases and contents of each, after the bottled liquor has been placed therein, and the serial numbers of the labels affixed to the cases.

Packages from which liquor is drawn to be tapped as required by law.

ART. 12. In drawing the liquor from the original packages the bottler will first tap each package by driving through the tax-paid stamp "*the faucet through which the liquor is to be withdrawn, or an air faucet of equal size*," as required by section 3342 Revised Statutes. The bottling of such liquor must be completed within forty-eight hours from the time the packages are tapped, and the tax-paid stamps so canceled or destroyed must be detached from the packages by the bottler, and forwarded to the collector of the district, as hereinafter provided for, care being taken to keep the stamps of each lot separate.

Bottling of liquor to be completed within forty-eight hours.

Fragments of tax-paid stamps detached from original packages to be forwarded to collector.

ART. 13. When bottled as above prescribed the liquor must, within twenty-four hours, be cased for export and the cases closed and securely fastened, and each case must have affixed thereto the label (prescribed in art. 10) properly filled in. Such labels must be pasted to or otherwise securely attached to the cases, and must be affixed to the cases in serial order, commencing with the lowest number for the first case, and continuing in like order.

Cases containing bottled liquor to be securely fastened and labeled.

Export labels to be affixed to cases in serial order.

ART. 14.—To provide for the exportation of fractional parts of the contents of the original stamped packages, and for the allowance of the drawback due thereon, the amount of drawback to be entered on the labels affixed to the cases containing the liquor will be computed as follows as to *each lot bottled for export:*

Drawback of tax on fractional parts of original packages.

(1) *When the liquor belonging to each lot bottled is placed in cases containing a like quantity in gallons.*

Mode of computing tax where export cases contain a like quantity of liquor.

RULE.—Divide the aggregate net value of the tax-paid stamps affixed to the original package for which the liquor was withdrawn (*i. e.*, the face value less 7½ per cent.) by the number of cases in which the liquor is placed, and the result will be the amount to be entered in the export label.

EXAMPLE.—Aggregate value of stamps (38 bbls.) less 7½ per cent.=$35.15; number of export cases 100)$35.15(35.15 cents—amount to be filled in each export label.

(2) *When the liquor belonging to each lot bottled for export is placed in cases containing an unlike quantity in gallons, or when, owing to sediment, the entire contents of a barrel can not be bottled off.*

Mode of computing tax where export cases contain *unlike* quantities of liquor.

RULE.— Divide the aggregate value of the tax-paid stamps (less 7½ per cent.) by the aggregate number of gallons contained in the original packages and multiply the result by the number of gallons and fraction of gallons contained in *each* export case.

EXAMPLE.—Aggregate value of stamps (38 bbls.) less 7½ per cent. = $35.15. Divide value by aggregate number of gallons in original packages, as 1178) $35.15(2.98 cents; multiply quotient by contents of export case (say 12 gallons), and the result is 35.76 cents, the amount to be filled in label affixed to the case above designated and other cases belonging to the *same lot* and containing the same number of gallons. To facilitate the computation of quantities and amounts all fractions should be stated decimally, as 11.9 gallons or 11.75 cents.

Fractions to be expressed decimally.

ART. 15. After the liquor has been bottled, cased, and labeled as prescribed, the same may then be entered for export by the bottler at any port in the United States, either

Liquor bottled for export may be exported from any port in the United States by owner or agent.

in person or by agent (art. 32) or may be sold for export (or for consumption in this country where the intention to export the same has been abandoned) and at such times and in such quantities as occasion demands. To facilitate the execution and examination of the export papers, it is suggested that the liquor, when either exported or sold, be disposed of, so far as practicable, in the same order in which it was bottled and labeled, so that when any lot is entered for export the cases containing the liquor may be described in the export entry and accompanying papers in unbroken serial order and in aggregate.—(See Bottlers' declaration, art. 18.)

May be sold in the United States where intention to export has been abandoned.

Liquor exported or sold to be disposed of in order cases are numbered.

Export labels on cases to be destroyed where intention to export has been abandoned.

ART. 16. When the intention to export has been abandoned as to any lot or part thereof, the label affixed to the cases containing the liquor must be erased from the cases and destroyed before the sale of the liquor for consumption in this country, as otherwise the liquor will be liable to detention and seizure. In making consignment of bottled liquor for export the bottler should impress on his agent or consignee receiving the same the necessity of destroying all such labels for the reason stated.

Liquor bearing export labels if offered for sale in the United States liable to seizure.

No drawback allowed on bottled liquors not fully identified at time of exportation.

ART. 17. No drawback will be allowed on any bottled liquor which has been *recased* (*i. e.*, placed in cases other than in the original case on which the export label was affixed as provided in article 10), or where the contents of the original case has been disturbed, or the case shows evidence of having been opened, or where the amounts or numbers on the export label have been erased or changed, or where the case containing the liquor can not be fully identified.

Bottler to file a declaration each month for all liquor bottled for export.

ART. 18. On the first day of each month, or within five days thereafter, the bottler will, after having filed the bond prescribed in article 8, furnish to the collector of his district the following declaration, under oath, as to all liquors bottled by him for export during the preceding month, and as herein required :

FORM II.

(Fermented liquor bottled for export.)

Declaration of bottler.

Form of declaration.

STATE OF ——, }
—— *Collection District*, } *ss* :

—— ——, being first duly sworn, deposes and says that the following-described —— [here name the article], manufactured by —— ——, brewer, in the —— collec-

tion district of ———, was received in the original stamped packages by affiant at his bottling establishment located at ———, in this district, and that the internal-revenue tax on said liquor was duly paid by the aforesaid brewer by affixing to said packages and canceling the proper tax-paid stamps as required by law; that on the dates below specified the liquor contained in said packages were bottled, cased, and labeled for export within the time and in the manner required by the regulations of the Treasury Department governing the bottling of fermented liquor for export, and that prior to the drawing off of said liquor into bottles the packages containing the same were duly tapped as required by law; that the inclosed fragments of stamps are pieces of the identical stamps removed by affiant from said packages; and that the following is a true and specific description of all liquor so received, bottled, and cased by him during the period stated, and that the amount of tax entered on the labels affixed to each case containing such bottled liquor, and below specified, was ascertained in the manner required by said regulations:

Original stamped packages.					
Date.	No. and size of each.	Total No. of gallons.	Date of stamps.	Value of stamps less $7\frac{1}{2}$ per cent.	
† February 1, 1888	† 38 bbls.	† 1,178	† January 25, 1888	† 35	15

Description of export cases containing liquor.						
No. of cases.	Serial Nos.*	Contents of each case.				Total No. of gallons.
		No. and size of bottles.	No. of galls.	Net tax.		
				Dollars.	*Cents.*	
† 100	† 1 to 100	† 120 pts.	† 11.78	.....	† 35.15	† 1,178

* Here state in consecutive order serial Nos. of labels affixed to cases.

† The date, number, or amount, here given, is not a part of the printed form, but is written in as the facts require. When ale unfit for bottling is left in an original package the total contents of cases will be less than the total contents of original packages. The quantity of ale so left in the barrel should be stated, with an explanatory note, in the last column of the second table, under the total gallons in the cases.

And affiant further states that at the time the aforesaid liquor was bottled, the same was truly intended for export, and that the export labels on all such cases as to which the intention to export is abandoned will be totally destroyed before such liquor is sold or offered for sale for consumption in this country.

——— ———,
Bottler.

Sworn and subscribed to before me this — day of —, 18—.

——— ———,
Deputy Collector.

Each lot of liquor bottled for export to be reported separately in bottler's declaration.

ART. 19. In preparing the foregoing declaration, each day's transaction must be reported separately in the columns prepared for that purpose, and in such a way as that each case containing the liquor bottled that day may be fully identified as to serial number and exact contents thereof, and as containing the liquor bottled on that particular day. Where such cases, or any portion thereof belonging to one lot agree as to number and size of bottles, and the net quantity contained therein, the same may, however, be reported on one line as above shown; *provided*, always, the serial numbers on such cases *run in unbroken consecutive order.*

Cases containing a like quantity and belonging to same lot to be entered on same line in bottler's declaration.

Declaration of bottler to be verified by collector and transmitted to Commissioner.

ART. 20. Upon the receipt of the bottler's declaration, and after having satisfied himself that the statements therein made are true and that the tax-paid stamps furnished therewith are genuine and of the value stated, the collector will totally destroy all such stamps and append to the declaration his certificate in the following form, and transmit the same to the Commissioner of Internal Revenue.

—— DISTRICT OF ——,
——, ——, 18—.

Form of certificate of collector.

I hereby certify that I have carefully examined the annexed declaration of ——— ———, and believe the statements therein contained to be true and to have been made in good faith; that the fragments of all tax-paid stamps therein referred to have been received, examined, and verified by actual count at this office, and found to be genuine and of the number and value represented, and that all such fragments have been totally destroyed.

——— ———,
Collector.

Duplicate declaration of bottler not to be issued unless specially authorized.

ART. 21. In no case will more than one declaration, and accompanying certificate of the collector, be issued for liquor bottled for export, unless specially authorized by the Commissioner of Internal Revenue in case of loss or accident, and in such cases the officer will write across the face of each of the second certificates the word "Duplicate."

Bottler's premises to be inspected by officers from time to time.

ART. 22. After the execution of the bond prescribed in art. 8, and as often as the duties of his office will permit, and at least once in every month, the collector will detail one or more of his deputies to visit each bottling establishment in his district where fermented liquor is being bottled under bond for export, and to make such inspection of the stock of liquors on the premises (both in original packages and in export cases), and as to the methods employed by each bottler in bottling, casing and marking his liquor for export, as will satisfy the officers that the busi-

ness is being carried on in strict conformity with law and regulations.

ART. 23. After completing the inspection required in the preceding article the officers will report to the collector in writing the result of this inspection, stating in detail any fraudulent practice or irregularity discovered by them in connection with the business carried on at the places designated, which report, or a copy thereof, will be appended to the bottler's declaration (Form II) for the month in which such inspection was made, and will be so transmitted to the Commissioner of Internal Revenue. In case any violation of law is discovered by the officers, the collector will at once proceed to enforce the penalties imposed by Section 3354, Revised Statutes, and in all such cases, or where any intentional irregularities are discovered, a special report will be at once transmitted to the Commissioner of Internal Revenue.

Report of inspection to be made by officer and to be transmitted to Commissioner.

Penalties for violation of law to be enforced by collector, and special report to be made to Commissioner.

IV.—BOTTLING FERMENTED LIQUOR UNDER THE IMMEDIATE SUPERVISION OF AN INTERNAL REVENUE OFFICER.

ART. 24. When fermented liquor intended for export is to be bottled under the supervision of an internal revenue officer, the bottler thereof will, in lieu of filling the bond prescribed in art. 8, and before bottling each lot, file with the collector of the district a notice of such intention, stating in the notice the location of the bottling premises and the number of packages to be bottled off. Upon the receipt of the notice the collector will detail a deputy to visit the place designated, and the deputy, after having satisfied himself that the stamps affixed to the packages are genuine, were duly affixed and canceled, and have not been reused, will make a memorandum of the number and size of the packages inspected, the name of the brewer, the number and denomination of the stamps affixed to such packages, and also the date of cancellation of each stamp. He will also mark each such package with some appropriate device for future identification unless he is to remain on the premises while the liquor is bottled and cased for export.

Notice to be filed by bottler where liquor is to be bottled under supervision of an officer.

Officer to visit bottler's premises and to inspect and mark packages from which liquor is to be withdrawn.

ART. 25. After the foregoing inspection has been completed the packages will be tapped in the presence of the officer and the liquor drawn off and cased in the same manner as required in articles 13 and 14, except that the cases containing the liquor so bottled will not be fastened or labeled until inspected by the officer.

Packages to be tapped in presence of officer.

ART. 26. After the contents of the cases have been inspected and verified by the officer, and (unless he remained on the premises while the liquor was bottled and cased)

Contents of export cases to be verified by officer.

Export cases to be securely fastened and labeled,

upon the reinspection of the original packages by him, the officer will then see that the cases containing the liquor are securely fastened and that the proper labels (prescribed in article 10), to be furnished by him, are securely affixed to the cases. The officer will also totally destroy the fragments of all tax-paid stamps upon the empty packages from which the liquor is withdrawn.

Tax-paid stamps on original packages to be totally destroyed by officer.

Bottler to file declaration as to each lot bottled, to be verified by inspector.

ART. 27. The bottler will then furnish the collector of the district with the declaration prescribed in article 18, modified to suit the case, which declaration will be made *as to each lot bottled for export*, and will be accompanied by the following certificate of the officer under whose supervision the liquor is so bottled and cased:

Deputy collector's certificate of inspection.

——, ——, 18—.

Form of certificate of inspection.

I hereby certify that the article specified in the foregoing declaration was duly inspected by me, while in the original packages, on the —— day of 18—, at ——; that the proper tax-paid stamp was found by me to have been duly affixed to each package, and in my opinion said stamps had not been reused; that each package was duly marked by me for indentification; and that I have totally destroyed the stamps found on said packages; and I further certify, that from personal knowledge I am satisfied that the statements contained in said declaration are true and deserving of full faith and credit.

——, ——,
Deputy Collector, — District of ——.

Declaration of bottler to be approved by collector and transmitted to Commissioner.

ART. 28. Upon the receipt of the bottler's declaration and accompanying certificate of the inspecting officer, the collector will, if satisfied with the statements therein made (and in lieu of the certificate prescribed in article 20), indorse his approval thereon, and forward the same to the Commissioner of Internal Revenue.

Duplicate declaration not to be issued unless specially authorized.

In no case will more than one declaration and accompanying certificate be issued for any lot inspected, unless special authority has first been obtained from the Commissioner of Internal Revenue.

Liquor bottled under supervision of officer to be thereafter subject to same regulations as liquors bottled in bond.

ART. 29. After the liquor has been bottled under the inspection of an officer, the same will be treated, and will be subject to the same regulations respecting the sale or exportation thereof as liquor bottled and cased for export under bond as hereinbefore provided.

The attention of persons bottling beer for exportation is called to the following extract from Regulations, series 7, No. 6, revised:

Provisions of law and regulations respecting the bottling of fermented liquor.

"Section 3354 provides that 'Every person who withdraws any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp has not been

affixed, for the purpose of bottling the same, or who carries on, or attempts to carry on, the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery, or any warehouse, shall be liable to a fine of five hundred dollars, and the property used in such bottling or business shall be liable to forfeiture.' The attention of collectors is called to the fact that the law does not under any circumstances permit bottling on any portion of the premises described in the Form 27 *c*.

"Beer intended for bottling must be drawn into stamped packages and removed from the brewery, and the bottling premises must be so separated from the brewery as that the beer must be carried over the public highway in its passage from the brewery to the bottling establishment."

V.—Entry of Articles for Export with Benefit of Internal-Revenue Drawback.

Mode of exporting articles duly inspected, marked, and branded.

Art. 30. Any article referred to in the preceding regulations, after the same has been duly inspected, marked, and branded, may be entered for export by the owners thereof (or by his agent when duly authorized as provided in article 32) by either of the following-named methods:

Direct exportation.

(1) *For direct exportation.*—In such cases the article may be entered at any outward port for immediate exportation to a foreign port, or at any frontier port when the article is to be exported to adjacent foreign territory.

Transshipment for export.

(2) *For transshipment for export.*—In such cases the article may be entered either at an outward port or at an interior port for transshipment to some other port from which the exporting vessel or car is to clear for a foreign country.

Exportation by sealed cars through frontier ports.

(3) *For exportation through a frontier port in sealed cars over bonded routes.*—In such cases the article may be entered at any port from which such cars clear for export, and, where the locks and seals upon the cars are found intact no reinspection of the article at the frontier port will be required.

Export entry in duplicate to be filed with collector of customs.

Art. 31. To obtain the drawback in either of the foregoing named cases, the exporter, either in person or through a duly authorized agent (art. 32), must at least six hours prior to shipment for export file with the collector of customs at the port from which the shipment is made the following entry *in duplicate.* In case of exportation of stills the special-tax stamp issued for each still will be attached to the original of such entry. (For instructions as to "CONTINUING ENTRY" see articles 51 to 56.)

Stamps issued for stills to be affixed to export entry.

FORM A.

No. ——.

For internal-revenue drawback.

PORT OF ——, —— —, 18—.

Form of export entry.

Entry of merchandise upon which internal-revenue tax has been paid, intended to be exported by me [or us, as the case may be] to —— [here name the foreign port], by the way of —— [here name domestic port if article is to be transshipped for export] by the —— [here name vessel or car], now lying at ——.

Marks and Nos.*	Name of article.	No. of cases or packages.	Contents in gallons.	Value.	Description of each case or package as shown by the tax-paid stamp or label.		Total tax.	Name and district of manufacturer or bottler.†
					No. and size of bottles.	Tax.		

——— ———, *Exporter.*

* In case of bottled beer the serial numbers of the export labels affixed to the cases of each lot containing a like quantity should be here given, and in consecutive order. If labels are not affixed to such cases (when the beer was bottled under previous regulations) the numbers should be those marked on the cases at the time of bottling.

† In case of bottled beer the date of bottling should also be here stated.

Oath of exporter.

Form of oath of exporter.

I, ——— ———, do solemnly, sincerely, and truly swear that the articles described in the foregoing entry, to be laden on board the ——, are truly intended to be exported as therein stated, and not to be brought back or relanded within the limits of the United States. And I do further swear that the kind, quantity, and value of said merchandise as stated in said entry are correct; that the internal-revenue tax thereon, amounting to $———$\frac{}{100}$, has been paid; that ——— ———, of ——,* is [or are] justly entitled to a drawback of said tax to the amount stated; and that no previous allowance or drawback has been made or claimed on said merchandise or any part thereof.

——— ———, *Exporter.*†

Subscribed and sworn to before me this —— day of ——, 18—.

[SEAL.] ——— ———.

Oath to be administered by a duly-authorized officer having a seal.

The foregoing affidavit must, in every case, be executed before a collector of customs or other officer authorized to administer oaths and having a seal.

*Here state the full address of the exporter.

† In case the exporter is a firm, this affidavit will be signed by a member of the firm cognizant of the facts, and the words "member of firm of ——— ———" [here insert name of firm] will immediately precede the word "exporter."

Power of attorney to be filed by agent of exporter.

ART. 32. Should the exporter reside in a place other than the one from which said merchandise is exported, the foregoing entry and oath may be executed and signed by an agent, provided such agent has personal knowledge of the facts mentioned therein, on filing with the collector of customs, and also with the collector of internal revenue in charge of exports and drawbacks at the port of exportation, a satisfactory power of attorney, duly executed by said exporter, authorizing the said agent to transact such business in his behalf. When such power of attorney has once been filed, the same will be deemed sufficient to authorize the execution of said forms at any time thereafter until notice of its revocation has been filed with said officers or until they shall have reason to believe that the exporter has ceased to employ said agent in such capacity. Whenever an affidavit shall be made on behalf of an exporter by his duly-authorized agent, or for any business firm by a partner thereof, the fact of such authority or partnership must be clearly stated therein.

Bill of lading to be filed with collector of customs holding export entry.

ART. 33. In addition to the foregoing entry the exporter will, before the vessel or car upon which the merchandise is laden has departed for the foreign port or port of transshipment, file with the collector of customs with whom such entry is filed a bill of lading covering such merchandise, the validity of which is to be certified to by the collector in his certificate of exportation (Form F). In cases of transshipment the exporter will also file with the collector at the port of transshipment a like bill of lading conditioned for the delivery of the goods at a foreign port, unless a *through* bill of lading will have been lodged with the collector at the port where the export entry is filed.

Separate bill of lading to be filed with collector at port of transshipment in certain cases.

Collector of customs to notify collector in charge of exports of filing of export entry.

ART. 34. Upon the receipt of the entry (Form A), duly executed, the collector or his deputy will, in order that the merchandise may be duly inspected by an internal-revenue officer before being laden on board the exporting vessel, immediately notify the collector of internal revenue in charge of exports that such entry has been filed.

The notice will be in the form following:

PORT OF ———, ———, 18—.

SIR: You are hereby notified that an export entry has been filed in this office by——— ———, covering certain articles upon which the internal-revenue tax is said to have been paid; and that, upon the arrival of an officer, to be designated by you, an order for the lading of such articles will be issued.

——— ———, *Collector of Customs.*

To ——— ———, Esq.,
Collector in Charge of Exports and Drawbacks.

Collector in charge of exports to detail officer to inspect articles named in entry.

ART. 35. Upon the receipt of the foregoing notice, the collector in charge of exports will immediately detail an officer to accompany the customs officer to the place where the merchandise is located, and there make the inspection hereinafter required, and upon the arrival of the internal-revenue officer at the custom-house, the collector of customs will deliver to the surveyor the duplicate entry (Form A), with the following order indorsed thereon:

Collector of customs to detail officer to lade articles on exporting vessel.

FORM B.

Order No. ——. PORT OF ——, —— —, 18—.

To the SURVEYOR:

You will please direct the proper officer to accompany Officer ——— to ———, and to superintend the lading of the within-described articles, after the same shall have been duly inspected, and to make due return to this office.

——— ———, *Collector of Customs.*

To this order the surveyor will append the following:

Inspector ——— will execute the foregoing order.

——— ———, *Surveyor.*

Officers to have joint custody of duplicate entry.

The officer named in the order (Form B) will, with the customs inspector, have joint custody of the duplicate entry until the examinations, comparisons, and reports are made by them, as hereinafter required.

Tax-paid stamps on original packages to be destroyed by inspector.

ART. 36. In shipments of fermented liquor in the *original packages* the officer detailed by the collector in charge of exports, after having first satisfied himself that the article offered for shipment is identical with that named in the entry, and that the tax-paid stamps are genuine and have not been reused, will, in the presence of the customs officer, totally destroy all such stamps.

Export cases containing bottled liquor to be specially inspected.

ART. 37. In shipments of fermented liquor in bottles the inspector will likewise carefully examine the cases containing the liquor, noting the serial numbers, the number of bottles, and amount of tax as represented by the labels affixed to the cases. If upon examination it appears that the cases have been opened or otherwise tampered with, or that any of the numbers or amounts originally entered in the export labels have been changed, or if the size of any of the cases indicates a less quantity of liquor than is represented on the labels thereon, or if from any cause the officer has reason to suspect that the cases or contents are not such as are specified in the entry and represented by the labels affixed thereto, he will open all such cases and examine the contents thereof and note on his return of in-

Export cases to be opened and contents inspected where same appear to have been tampered with.

spection (Form C) the result of such special inspection and in what particular the cases appear to be fraudulent or irregular. If evidence of fraud is obtained in any such case, the article so offered for inspection will be seized and the case reported to the United States district attorney for prosecution.

Articles to be seized and case reported to U. S. district attorney where fraud is discovered.

ART. 38. The inspector will occasionally, even when no suspicion is entertained by him respecting the article to be exported, open one or more cases offered for inspection, in order to fully satisfy himself as to the exact contents thereof; and he will make a memorandum of all cases so opened and the date of such inspection. (See foot-note on Form C, art. 39.)

Export cases to be occasionally opened and contents inspected where no fraud is suspected.

In making the examination here ordered, inspectors will exercise great care not to injure the cases or the merchantable value of the articles shipped, and they will see that all packages opened by them are securely refastened before the same are laden on board the vessel.

Inspector to refasten all export cases opened by him.

ART. 39. After the articles named in the exporter's entry have been duly inspected and laden, the officer detailed by the collector of internal revenue in charge of exports will make his return of inspection in the form following, to be appended to the *original* entry upon the receipt of that entry by said collector.

Return of inspection by internal-revenue officer to be made and affixed to original export entry.

FORM C.

Form of return of inspection.

Return of inspection.

PORT OF ———, ——— —, 18—.

I hereby certify that, in pursuance of your order of ——— —, 18—, the following described merchandise, now laden on board the ——— for exportation to ———, has been duly examined by me and found to agree with the merchandise described in the export entry filed by ——— ——— with the collector of customs of this port, except as to the following—[here note discrepancies, if any. If no discrepancies are found the preceding words "except as to the following" should be erased], and (in case of fermented liquor in original packages) that I have totally destroyed all fermented-liquor stamps affixed to the following-described packages:

Marks and serial Nos.	Name of article.	No. of cases or packages.	Contents in gallons.	Description of each case or package as shown by the tax-paid stamp or label.		Total Tax.	Name and district of manufacturer or bottler.
				No. and size of bottles.	Tax.		

And I further certify that of the merchandise above described, the following-described cases, selected by chance, without suggestion from any one, were opened by me at the time of said inspection and found to contain the articles as described in said entry and in the export labels affixed to said cases, viz:

Number of cases opened.	Serial number of cases.	Specific description of contents of each case opened.
		*

——— ———.

* Where cases are not opened and inspected as herein provided for, the officer will note in this part of his return the last inspection of cases opened by him, as "Date of last inspection of cases opened ———, 18—."

Articles to be laden on board of exporting vessel.

ART. 40. After having laden the goods on board the vessel the customs inspector will indorse upon the duplicate entry in his possession the following:

Form of return of lading.

FORM D.

Return of lading.

PORT OF ———, ——— —, 18—.

I hereby certify that, in pursuance of the above order, the following-described merchandise has been duly laden on board the ——— for exportation to ———:

Marks and numbers.	Number of cases.	Kind and specific description of merchandise.

——— ———, *Inspector.*

Collector of customs to issue certificate of exportation after clearance of articles for a foreign port.

ART. 41. After the articles named in the exporter's entry have been duly inspected, laden, and cleared, and in case of transshipment upon the receipt of the certificate of transshipment (art. 49), the collector of customs with whom the entry is filed will issue his certificate in the following form:

Form of certificate of exportation.

FORM F.

Certificate of exportation under internal revenue acts.

Entry No. ——. Certificate No. ——

OFFICE OF COLLECTOR OF CUSTOMS,
Port of ———, ——— —, 18—.

I hereby certify that, on the —— day of ———, 18—, the following-described merchandise was duly laden on board the ———, whereof ——— ——— is master, in pursuance of order No. ——, heretofore issued from this office, and that said merchandise was duly entered on the outward manifest of said vessel, and that said vessel and cargo were cleared from this port * on the —— day of —— —, 18—, for the port of ———.

Marks and numbers.	Number of cases or packages.	Kinds and specific description of merchandise.

And I do further certify that a proper bill of lading, covering the above-named merchandise, has been filed in this office.

Witness my hand and official seal this —— day of ———, 18—.

[SEAL.]

——— ———,
Collector of Customs.

To ——— ———, Esq.,
Collector in Charge of Exports and Drawbacks.

Exporter to furnish proof of landing in a foreign country where articles are omitted from outward manifest of exporting vessel.

ART. 42. In case the articles described in the exporter's entry have been omitted from the outward manifest of the exporter's vessel or car, the exporter may perfect his proof of exportation by filing with the collector of customs with whom the entry is filed proof of landing of the articles in a foreign country satisfactory to that officer, and in the form prescribed in customs regulations for the cancellation of bonds for the exportation of imported merchandise. Upon the receipt of such proof the collector will modify his certificate to meet the requirements of the case, and will note on such certificate that satisfactory proof of landing of the articles in a foreign country has been filed in his office.

Proof of landing when received to be certified to by collector of customs on Form F.

Certificate of exportation with original export entry to be forwarded to collector in charge of exports.

ART. 43. After the foregoing certificate (Form F) has been issued the same will be transmitted to the collector of internal revenue in charge of exports and drawbacks at the port from which the goods are cleared, together with the original export entry (Form A), and in case of transshipment, the certificate of transshipment, Form E (art. 49), and in case of exportation in sealed cars, the transportation manifest. (Art. 46.)

*In case of transshipment of the article at another port, the certificate will be here modified to meet the requirements of the case.

Collector in charge of exports to certify drawback claim to Commissioner of Internal Revenue.

ART. 44. The collector in charge of exports will immediately examine the proofs submitted, and, if satisfied that the claim made is a valid one, he will indorse his approval thereon, under seal, and, after recording the claim in his office, he will at once transmit all the papers in the case to the Commissioner of Internal Revenue, together with the return of inspection (Form C) previously filed with him.

Drawback due to be awarded by Commissioner of Internal Revenue.

ART. 45. The evidence will be reviewed by the Commissioner, and if on examination he shall find the same satisfactory, he will award the amount due the claimant.

In calculating this amount, there will be deducted from the face value of the stamps by which the tax was paid the largest commission on the purchase thereof allowed by law. The amount so awarded will be paid by a warrant on the Treasurer of the United States, and a draft therefor, to the order of the party entitled thereto, will be sent to the collector of internal revenue in whose district the party resides for delivery.

VI.—EXPORTATION OF ARTICLES FROM A PORT OF ENTRY THROUGH ANOTHER PORT.

Port of transshipment to be named in export entry.

ART. 46. When the articles are entered at any port for exportation through another port, the exporter will state in his entry, Form A, the route or routes over which the articles are to be transported; and in case of shipment of fermented liquor through frontier ports, in sealed cars containing no other merchandise, the exporter thereof may, at the time of entry, apply to the collector at the port where such entry is made to have the cars containing the goods properly locked and sealed, as provided in cases of transportation of imported merchandise in bond. In case of shipment in sealed cars a transportation manifest must be filed, as in the case of transportation of imported merchandise, and also a *through* bill of lading covering the merchandise to a foreign port.

Exportation in sealed cars.

Transportation manifest to be filed for articles shipped in sealed cars.

Original export entry to be forwarded to collector at port of transshipment.

ART. 47. Upon the receipt of the entry in either of the foregoing cases, and after the merchandise has been duly inspected and laden, the collector will transmit the *original* of said entry, without delay, to the collector of customs of the port at which the merchandise is to be transshipped, together with a copy of the transportation manifest, in case of shipment in sealed cars. He will also note upon the entry, so transmitted, whether a *through* bill of lading has been filed in his office.

Transportation manifest to be forwarded to collector at port of transshipment.

Articles to be reinspected at port of transshipment except when shipped in sealed cars.

ART. 48. Upon the receipt of such entry the collector at the port of transshipment will direct the proper officer to carefully examine the merchandise upon its arrival, and as-

certain that the same agrees in all respects with the entry, and to superintend the lading of the goods on board the vessel or other conveyance by which the same are to be exported, or, in case the merchandise is shipped in sealed cars, to carefully examine the locks, seals, and tags, with which the cars are secured. If the inspector finds that the fastenings of the cars have not been tampered with, and that the contents of the cars have not been disturbed, the collector will allow the cars to proceed to their destination without opening the same.

Cars to pass without being opened by inspector if locks and seals are intact.

If, however, the locks and seals *are not found intact*, or or if the inspecting officer has any reason to believe that the contents of the cars have been tampered with, the collector will take the merchandise into his custody, and report the facts forthwith to the Secretary of the Treasury, and also notify the collector at the port of departure.

Articles when shipped in sealed cars to be detained where lock and seals on on cars have been tampered with.

ART. 49. In case of exportation *otherwise* than in *sealed cars*, and if the merchandise inspected is found to agree with that specified in the entry, the collector will, after the goods have been duly laden and cleared, append to the entry his certificate in the following form:

Certificate of transshipment to be indorsed on export entry after clearance of articles for a foreign port.

FORM E.

Certificate of transshipment and exportation.

Form of certificate of transshipment.

PORT OF ——, ——— —, 18—.

I hereby certify that the within described merchandise entered for internal-revenue drawback at the port of ———, by ——— ———, for exportation to ———, by way of ———, was brought into this port by ——— ———, on board the ———, on the —— day of ———, 18—, and that the same has been carefully inspected and found to be without change or diminution; except as to the following [here state any discrepancy reported by the inspector]: that said merchandise was duly laden on board the ——— for exportation to ———; that said merchandise was duly entered on the outward manifest of said vessel and [unless a through bill of lading has been filed with the collector from whom the export entry was received] a proper bill of lading has been filed in this office; and that said vessel and cargo were cleared from this port on the —— day of ———, 18—, for the port of ———.

[SEAL.] ——— ———,
Collector of Customs.

To ——— ———,
Collector of Customs, Port of ———.

Bill of lading to be filed with collector.

Unless a *through* bill of lading has been filed with the collector forwarding the export entry, the proper bill of lading must be filed with the collector at the port of transshipment.

Modified form of certificate to be used where articles are exported in sealed cars.

In case of exportation in *sealed cars*, and the locks, seals, and tags upon the cars are found intact, the collector will, in lieu of the foregoing certificate, append to the entry, or transportation manifest, and under seal, the following certificate:

PORT OF ———, ———, 18—.

I hereby certify that the within-named car, with contents, arrived at this port on the —— day of ———, 18—, in good condition, and that upon examination the same was found to be properly locked and sealed, and that said car, with contents, cleared from this port for the port of ——— on the —— day of ———, 18—, in like good condition and properly locked and sealed.

——— ———, *Collector*. [SEAL.]

Export entry and accompanying papers to be returned to the collector at port where entry was made.

Collector at port where entry was filed to issue certificate of exportation (Form F).

ART. 50. After having issued his certificate in either of the foregoing cases, the collector will return the entry, and transportation manifest, if filed, to the collector at the port from which the merchandise was originally shipped. Whereupon the collector of that port will, if the other papers in the case be satisfactory, issue his certificate (Form F), changed to meet the requirements of the case.

VII.—EXPORTATION OF SEVERAL LOTS OF FERMENTED LIQUOR UNDER ONE EXPORT ENTRY.

Liquor to be entered at one port for *direct* exportation.

ART. 51.—When the exporter contemplates making several shipments of fermented liquor (not exceeding ten in number) *from any one port and for direct exportation*, and the amount of drawback to be claimed on *each* shipment will not exceed $25, he may, in filing his export entry, Form A (art. 31), specify in said entry the entire quantity of liquor to be so shipped, and the liquor so specified may be exported from time to time, and in such quantities (not exceeding, however, the limits above stated) as he may desire. Should the exporter reside at a place other than the port from which such exportations are to be made, the liquor may be consigned *before entry*, to a duly authorized agent (art. 32) at that port, to be there entered and shipped by such agent. But in either case care should be exercised to keep each lot, or remaining portion thereof, intact for exportation, as the substitution of other liquor for that specified in the entry will in no instance be permitted.

Entire quantity of liquor intended to be shipped at different times to be specified in export entry.

Liquor may be consigned to agents to be entered for export by them.

Liquor to be exported in same order as described in export entry.

Substitution of liquor for that named in export entry not permitted.

ART. 52. In the cases provided for in the preceding article, the export entry, Form A, will be designated as a "*continuing entry*," and must be so marked with *red* ink under the words "*For internal revenue drawback;*" and in case the foreign ports to which, and the names of the vessels or cars

Export entry to be designated and marked as a "continuing entry."

by which the liquor is to be exported are not known at the time of filing the entry, the words "to various ports" and "by various vessels" [or cars] may be entered in the appropriate places in said entry.

Export entry to be modified as to names of foreign ports and exporting vessels.

In case the liquor to be exported is in bottles, the cases containing the same must be fully described in the entry and specified by serial numbers, as per export labels affixed thereto, and should be exported in the exact numerical order as set forth in the entry.

Cases containing bottled beer to be fully described in entry.

ART. 53. After having filed his entry the exporter, or his duly authorized agent, will, at least six hours prior to making each intended shipment, notify the collector of customs of the fact in writing, specifying in such notice the date or number of his entry, and the vessel or car by which, and the port to which the exportation is to be made.

Notice to be given collector of customs of each intended shipment under export entry.

Upon the receipt of such notice the same procedure as to inspection and lading, and report thereon, will be had as in ordinary cases of exportation under these regulations. The exporter or his agent, however, will, at the time of filing such notice, furnish the necessary blanks, Forms C and D (arts. 39 and 40), in order that separate returns of inspection may be had for each shipment. A separate bill of lading must also be furnished by the exporter for each shipment made under the export entry.

Liquor to be inspected and laden upon receipt of notice by collector.

Exporter to furnish blank forms, C and D, for each intended shipment.

Separate bill of lading for each shipment to be filed by exporter.

ART. 54. After each lot of liquor has been duly inspected and laden the return of inspection, Form C, will be lodged with the collector of internal revenue in charge of exports to be filled with the *original* entry when received by that officer, and the return of lading, Form D, with the collector of customs, to be filed with or appended to the *duplicate* entry by that officer.

Return of inspection, Form C, to be filed with *original* entry.

Return of lading, Form D, to be filed with *duplicate* entry.

ART. 55. After the entire quantity of liquor, as specified in the exporter's entry, Form A, has been exported, or in case a portion of such liquor has been exported and the intention to export the remaining portion has been abandoned, upon receipt of a written notice thereof from the exporter or his agent, the collector holding such entry will issue a certificate, Form F (art. 41), for the entire quantity exported as shown by the several returns of lading filed in his office, specifying in the certificate the vessels or cars by which and the ports to which the liquor was so exported, and the dates of examination.

Notice to be filed with collector of customs where intention to export is abandoned.

Collector of customs to issue certificate Form F when shipments under export entry are completed.

The certificate so issued, together with the *original* entry will then be transmitted to the collector of internal revenue in charge of exports, as provided in article 43, as also the notice received from the exporter, if one is given, respect-

Certificate, Form F, with original export entry to be transmitted to collector of internal revenue in charge of exports.

ing the liquor as to which the intention to export has been abandoned.

Collector in charge of exports to certify drawback claim to Commissioner of Internal Revenue.

ART. 56. Upon receipt of the entry and certificate as above provided for, the collector in charge of exports will, after appending thereto the proper returns of inspection, Form C, certify the claim to the Commissioner of Internal Revenue as in ordinary cases.

VIII.—SPECIAL CASES NOT OTHERWISE PROVIDED FOR.

Application for relief where regulations can not be complied with.

ART. 57. If from any cause the proofs required in the foregoing regulations can not be furnished, or any of the requirements of the regulations can not be complied with, application for relief may be made to the Commissioner of Internal Revenue through the collector having cognizance of the facts. The application in such cases must be made under oath, and must fully and clearly set forth in what particulars the regulations have not been complied with, and the reasons therefor, and must be accompanied by a certificate of the officer transmitting the same, as to his knowledge of the alleged facts and as to the propriety of granting the relief asked for. The evidence thus submitted will be examined by the Commissioner of Internal Revenue, and if the facts warrant relief will be granted.

Application for relief to be certified to Commissioner of Internal Revenue by officer having cognizance of the facts.

When regulations take effect.

ART. 58. The foregoing regulations will take effect on and after April 15, 1888, and will thereupon supersede all previous regulations on the subject of internal revenue drawback on the articles herein named, except as to fermented liquor bottled for export *prior* to the above-named date, in which case the liquor may be exported under present existing regulations.

Exceptions as to fermented liquor bottled for export under previous regulations.

Forms prescribed in regulations not furnished by Department except export label and certificate of exportation Form F.

ART. 59. None of the forms herein prescribed will be furnished by the Department except the export label (art. 10) and the certificate of exportation, Form F (art. 41).

JOS. S. MILLER,
Commissioner.

Approved:
C. S. FAIRCHILD,
Secretary.

C

(Series 7, No. 14, Revised.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING THE

ABATEMENT AND THE REFUNDING

OF

TAXES AND ASSESSED PENALTIES

WHICH ARE

UNCOLLECTIBLE, ABATABLE, OR REFUNDABLE

UNDER THE PROVISIONS OF

SECTIONS 3220 AND 3221, REVISED STATUTES, SECTION 6, ACT OF MARCH 1, 1879, OR OTHER REMEDIAL ACTS.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1889.

TREASURY DEPARTMENT,
Document No. 1252.
Internal Revenue.

55277

TREASURY DEPARTMENT,

OFFICE OF COMMISSIONER OF INTERNAL REVENUE.

Washington, September 26, 1889.

The following Regulations, prescribed by the Secretary of the Treasury, are herewith published as Series 7, No. 14, Revised, Instructions to Internal-Revenue Officers.

JOHN W. MASON,

Commissioner.

REGULATIONS.

TREASURY DEPARTMENT,
Washington, September 26, 1889.

Section 3218 of the Revised Statutes is as follows:

"Every collector shall be charged with the whole amount of taxes, whether contained in lists transmitted to him by the Commissioner of Internal Revenue, or by other collectors, or delivered to him by his predecessor in office, and with the additions thereto, with the par value of all stamps deposited with him, and with all moneys collected for penalties, forfeitures, fees, or costs; and he shall be credited with all payments into the Treasury made as provided by law, with all stamps returned by him uncanceled to the Treasury, and with the amount of taxes contained in the lists transmitted, in the manner heretofore provided, to other collectors, and by them receipted as aforesaid; also with the amount of the taxes of such persons as may have absconded, or become insolvent, prior to the day when the tax ought, according to the provisions of law, to have been collected, and with all uncollected taxes transferred by him, or by his deputy acting as collector, to his successor in office: *Provided*, That it shall be proved to the satisfaction of the Commissioner of Internal Revenue, who shall certify the facts to the First Comptroller of the Treasury, that due diligence was used by the collector. And each collector shall also be credited with the amount of all property purchased by him for the use of the United States, provided he faithfully account for and pay over the proceeds thereof upon a resale of the same, as required by law."

Section 3220 is as follows:

"The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized, on appeal to him made, to remit, refund, and pay back all taxes erroneously or illegally assessed or collected, all penalties collected without authority, and all taxes that appear to be unjustly assessed or excessive in amount, or in any manner wrongfully collected; also to repay to any collector or deputy collector the full amount of such sums of money as may be recovered against him in any court, for any internal taxes collected by him, with the cost and expenses of suit; also all damages and costs recovered against any assessor, assistant assessor, collector, deputy collector, or inspector, in any suit brought against him by reason of anything done in the due performance of his official duty: *Provided*, That where a second assessment is made in case of a list, statement, or return which in the opinion of the collector or deputy collector was false or fraudulent, or contained any understatement or undervaluation, such assessment shall not be remitted, nor shall taxes collected under such assessment be refunded or paid back unless it is proved that said list, statement, or return was not false or fraudulent, and did not contain any understatement or undervaluation."

CREDITS TO COLLECTORS.

In the adjustment of their accounts, collectors will be credited with all uncollected taxes abated as having been erroneously or illegally assessed, or for which relief is granted to the tax-payers under remedial statutes. They will also be credited with those which, though properly and legally assessed and not remissible, are shown to be uncollectible by reason of the insolvency or absconding of the parties from whom the taxes are owing, provided it shall also be shown that due diligence has been used in making demand, and in endeavoring to force payment.

It should be borne in mind that, though credits allowed on account of insolvency or absconding release the collector from the obligation created by his receipt for the amount credited, the obligation to pay still remains upon the parties assessed. Collectors should, therefore, keep a record (No. 23) of all taxes thus credited, and of the persons from whom they are due, and should enforce payment whenever it is in their power to do so.

If a tax reported as uncollectible on account of the insolvency or absconding of the party owing it is paid after credit has been given for it, it should be returned upon Form 58.

The two different classes of claims are denominated, respectively, "*Uncollectible*" and "*Erroneous.*" They should be separately scheduled, and be kept distinct from each other.

PREPARATION OF CLAIMS FOR CREDIT FOR TAXES AND ASSESSED PENALTIES ALLEGED TO BE UNCOLLECTIBLE.

Form 53.

When a tax is found to be uncollectible, the collector or deputy collector who made the demand for payment, and is conversant with the facts, should enter it upon Form 53, showing the name of the party assessed, the article or occupation for and on account of which the assessment was made, the amount of claim, date of first demand, date from which the tax was found to be uncollectible, and the cause of inability to collect. In arranging the lists, the natural order of the years and months should be observed. Captions should be written across the center of the page.

Collectors are required to make demand within the time prescribed by law, and either to collect the taxes or prove them to be uncollectible, within six weeks after the receipt of the list, unless special reasons are furnished, such as lack of mail facilities, great extent of territory, etc., showing why they could not be collected within that time.

Six months are allowed from the receipt of a list in which to close it up, either by collection, or by presenting claims for abatement; but when an abatement of taxes alleged to be uncollectible is asked, it must be shown in the vouchers, by dates, or otherwise, that they could not have been collected at the time they first became due and payable according to law, nor at any time since. Where dates can not be given, it should appear in each case that they were uncollectible before distraint was or could have been made.

Upon this form there should be a sworn certificate of the person who fills it, as follows:

I, ——— ———, deputy collector of internal revenue for division No. ——, in collection district No. ——, in the State of ——, hereby certify that the within taxes or duties charged to and assessed against the several persons named in the lists within specified for 18—, amounting in the aggregate to ———$\frac{}{100}$ dollars, have not been collected; and that I demanded payment of said taxes and duties of the within-mentioned persons on the several dates affixed to their names; and that I have been unable to collect said taxes and duties, or any portion thereof, for the reasons set forth in my schedule herein inclosed. And I further certify that neither of the parties against whom the taxes herein claimed for abatement were assessed had any property liable to distraint for the said taxes at the time when warrants of distraint could first lawfully be issued therefor—*i. e.*, ten days after first demand for the same at the dates specified in the schedule—nor since; that I made diligent efforts to collect the said taxes and duties, and that the failure to collect the same did not arise out of or through any omission or neglect of duty on my part.

——— ———,
Deputy Collector.

Sworn and subscribed to, this —— day of ——, 18—, before me.

——— ———.

FORM 48.

Form 48 is to be made by the collector. It must show the name of each party assessed, his post-office address, the article or occupation for and on account of which the assessment was made, the list, the page and line of the list in the collector's office, the name of the collector who receipted for the assessment to the Commissioner, the date when the tax was returned for collection, and the amount claimed.

Before entering a claim upon this form the collector should carefully examine his record, to ascertain if any previous claim has been presented in the same case. If he finds that a previous claim has been presented, it should be omitted, and also be stricken from Form 53, and the reasons therefor noted thereon, unless there be some special reasons for presenting it a second time. If there be any such reasons, he should enter the claim upon Form 48, should annex a written state-

ment of those reasons, and should make reference to the number and date of the schedule upon which the previous claim was made.

Circular 118 calls the attention of collectors of internal revenue to the act of March 3, 1873 (17 Statutes, 580; see section 3164, Revised Statutes, on page 11 of the compilation), which provides "That it shall be the duty of the several collectors of customs and of internal revenue to report within ten days to the district attorney of the district in which any fine, penalty, or forfeiture may be incurred for the violation of any law of the United States relating to the revenue, a statement of all the facts and circumstances of the case within their knowledge, together with the names of the witnesses, and which may come to their knowledge from time to time, stating the provisions of the law believed to be violated, and on which a reliance may be had for condemnation or conviction." * * *

The carrying on of any business upon which a special tax is imposed by law, without payment of the tax, is a violation of law which renders the delinquent liable to fines and penalties.

Collectors are therefore instructed, in every case where a special tax is claimed for abatement as uncollectible, to enter in the column for "Remarks," on Form 48, the date of report of the case to the district attorney for prosecution.

The columns for "Amounts allowed" and "Amounts rejected," in Form 48, are to be filled in the office of the Commissioner of Internal Revenue after examination of the claims, and should, therefore, be left blank by the collector.

In arranging the schedule the natural order of the years and months should be observed, and the captions should be written across the center of the page. No list should be entered more than once upon the same schedule, but all claims upon the same list should be entered under one heading.

Of the blank Forms 48*a* and 48*b* only the necessary number should be used. If one sheet of 48*a* affords space sufficient for the entries to be made, one sheet only should be used.

The claims should be numbered upon the schedule, commencing with No. 1 and running continuously through the entire schedule, and the numbers entered upon Form 48 should also be entered in the appropriate places, both inside and outside, upon Form 53.

No claim on account of an erroneous assessment should be entered upon the same schedule with claims for uncollectible taxes, nor in any case should claims for taxes *standing charged* against one collector or ex-collector be entered upon the same schedule with those *standing charged* against another.

After the schedule has been thus prepared, it should be carefully compared with Form 53, and nothing should be allowed to remain which is not properly supported by the evidence required by the Internal-Revenue Office.

At the bottom of the blank Form 48 there should be a recapitulation by lists, and the whole should be accurately footed, so as to show the aggregate amount claimed.

The following certificate should be made upon each schedule by the collector, and the number of any claim to which he may object should be entered under the exception in his certificate, and there should be a written statement of the reasons for his objections annexed to the schedule itself:

Collector's certificate.

UNITED STATES COLLECTOR'S OFFICE,
——— *District of* ———, ———, 18—.

I hereby certify that I have carefully investigated the matters set forth in the several affidavits accompanying this schedule, concerning the taxes enumerated therein, and am satisfied that the claims, with the exception of Nos. ———, are in all respects just and true; and I further certify, from personal examination, that all the names and taxes enumerated within are found on the pages and lines as indicated in the respective lists now on file in my office, and that each of the said several taxes is included in my aggregate receipt for the list to which it belongs, as reported to the office of Internal Revenue; and I further certify that no credit has heretofore been allowed in any form on account of any of the taxes within enumerated, and that none of them have been collected; that the statements made within are true and correct; and that the credit for such of the taxes herein named as may be abated by the Commissioner of Internal Revenue should be given to Collector ———.

———— ————,
Collector, —— *District* ———.

When the schedule has been thus prepared, it should be carefully sealed up, together with the Forms 53 which support it, and mailed to the Commissioner of Internal Revenue. Letters of transmittal should not be sent with claims, unless they contain necessary explanations.

PREPARATION OF CLAIMS FOR THE ABATEMENT OF TAXES AND PENALTIES ALLEGED TO HAVE BEEN ERRONEOUSLY OR ILLEGALLY ASSESSED, OR TO BE ABATABLE UNDER REMEDIAL ACTS.

FORM 47.

Claims for credit on account of erroneous or illegal assessments or under remedial acts, etc., must be made out upon Form 47, and must be sustained by the affidavits of the parties against whom the taxes were

assessed, or of other parties cognizant of the facts, and must be accompanied by affidavits of the deputy collectors of the divisions in which the claims arise. These latter affidavits should be in the following form, as printed on the back of Form 47:

Deputy collector's affidavit.

I, ——— ———, deputy collector, ——— division, ——— district, being duly sworn according to law, depose and say, that I have *personally* investigated the statements made in the within affidavit, ——

———————————————————————————————

———————————————————————————————

———————————————————————————————

and from the best information I can obtain, after careful inquiry, I believe such statements to be in all respects just and true.

———————————————————————————————

———————————————————————————————

——— ———.

Sworn to and subscribed before me, this —— day of ———, A. D. 18—.

——— ———.

But if the deputy collector has reason to doubt the correctness of the statements made by a claimant, he should modify his affidavit accordingly, a space being left for that purpose at the close of the affidavit. If he has not investigated all the facts, he should state in the blank space left in the body of the affidavit for that purpose what facts he has not investigated.

If there are any objections to a claim, the collector should be careful to state them fully in a certificate to be attached to and made part of the claim. In some cases, where the collector has certified to the correctness of claims, the deputy collector makes exceptions to the facts as stated by the claimants. Unless the collector makes a special explanation in every such case, the claim will be returned for such explanation.

Where the collector reports special taxes for assessment, and then claims abatement on the ground that the parties have not engaged in the business specified, he should explain in each case why he reported the tax for assessment.

The claim should be still further supported by a certificate of the collector showing the list, page, and line of all assessments therein referred to, not only of the assessment of the tax for the abatement of which the claim is filed, but also of each and every other assessment mentioned in the voucher. Even where only a portion of a tax is claimed as erroneous, the collector should be careful to certify the *full amount* assessed.

That certificate should be as follows:

Collector's certificate.

I hereby certify that, upon careful examination, I find that the within-named assessments appear upon the lists in my office as follows:

Name.	Article or occupation.	Period covered by assessment.	List.	Page.	Line.	Amount.

——— ———.

Collector, —— *Dist. of* ———

———, ———, 18—.

If the claimant is a distiller, the number of his distillery should be given in this certificate.

When a tax has been assessed and turned over to the collector, the presumption is that the assessment is correct. The burden of proof in rebutting that presumption, and showing that it was improperly or illegally assessed, or that relief should be given under a remedial statute, rests upon the applicant for abatement. The affidavits must, therefore, contain full and explicit statements of all the material facts relating to the claims in support of which they are offered, and which are essential to their proper consideration. Nothing should be left to mere inference, but all the facts relied upon should appear on the papers themselves. It is only the correctness of the statement of facts to which the deputy collector certifies, not the legality of the claim. The *legality* of the claim is to be determined by the Commissioner of Internal Revenue upon the facts presented and proved by the affidavits.

In the preparation of claims upon Form 47, for the abatement of special taxes, it is not sufficient to state that the claimant has done no business requiring payment of the tax; has done no business as wholesale liquor-dealer; has done no business as a retail dealer in liquors; has done no business as a dealer in tobacco, etc.; but the denial should be made in the words of the law. The affidavit should traverse the definition as found in the statute.

For instance, in case of assessment as a tobacco-dealer, the applicant should swear:

That from ——— to ———, the period covered by said assessment, he neither sold nor offered for sale any manufactured tobacco, snuff, or cigars.

This example is designed simply as an illustration of the manner in which the statutory definitions should be traversed. It is believed that a strict observance of this mode of making claims will not only remove the necessity of returning them so frequently for explanations and further evidence, but will actually diminish and simplify the labor of original preparation.

While, however, it is desirable that in all cases the words of the statute should be traversed, this may not be *all* that is essential. Officers and others engaged in the preparation of the affidavits are advised and enjoined to insist upon any and all additional statements which to them may seem necessary to a proper understanding of the case by the Commissioner of Internal Revenue. Certain general rules will apply in all cases; but, in addition thereto, each case may require some statement as evidence upon some point peculiar to itself. Some of these additional statements are hereinafter suggested under the head of "General remarks," but the majority of them must necessarily be left to the discrimination of the person who drafts the affidavit.

In the case of claims for the abatement of taxes assessed upon a deficiency in production of distilled spirits, the affidavits upon Form 47 should be accompanied by a statement from the collector, showing the month in which the deficiency occurred, and the form, page, line, and amount of each and every assessment made against the distiller for or during that month. It should clearly appear which of the amounts have been paid, which are claimed to be erroneous, etc. To avoid confusion, there should be a separate voucher on Form 47 for the amount claimed as erroneous in each month.

When an assessment is compromised, the amount paid as tax should be credited to the list. The amount, if any, remaining outstanding, should be claimed for abatement on Forms 47 and 48½.

Form 48½.

This form is essentially like Form 48, except that Form 48 is designed exclusively for taxes and penalties alleged to be uncollectible, and is supported by Form 53, while Form 48½ is exclusively for taxes and penalties alleged to have been erroneously or illegally assessed, or otherwise remissible, and is supported by affidavits upon Form 47.

The arrangement should be the same as above prescribed for Form 48. The claims should be numbered consecutively upon the schedules, and corresponding numbers should be entered upon the affidavits upon Form 47.

Before entering a claim, the collector should carefully examine his Record (No. 22) of Claims for Abatement and Refunding, to ascertain

if any previous claim has been made in the same case. If he finds that a previous one has been presented, he should state his special reasons for again presenting it.

Instructions in regard to the preparation of Form 48 should be observed in regard to Form 48½, unless manifestly inapplicable.

The certificate of the collector upon this form should be as follows:

Collector's certificate.

UNITED STATES COLLECTOR'S OFFICE,
——— *District of* ———,
———, 18—.

I hereby certify, that I have carefully investigated the matters set forth in the several affidavits accompanying this schedule, and am satisfied that, with the exception of Nos. ——, the statements are in all respects just and true; and I further certify from personal examination, that all the names and taxes enumerated within are found on the pages and lines as indicated in the respective lists now on file in my office; and that each of the said several taxes is included in my aggregate receipt for the list to which it belongs, as reported to the office of Internal Revenue; and I further certify, that no credit has heretofore been allowed in any form on account of any of the taxes within enumerated, and that none of them have been collected and reported in any monthly abstract, and that the credit for such of the taxes herein named as may be abated by the Commissioner of Internal Revenue should be given to Collector ——— ———.

———— ————,
Collector, —— *District* ———.

ALLOWANCE OF CREDIT FOR TAXES ABATED.

When a schedule of claims has been examined in the office of the Commissioner of Internal Revenue, an order of abatement is drawn for so much as is abated upon it. A letter of credit is also drawn for the same amount, which shows, likewise, the number of the order. This letter of credit is sent directly to the collector, and is his authority for taking credit, upon his Form 51 and in his quarterly account, for the taxes abated.

If a collector should discover from the schedule of abated taxes, which always accompanies the letter of credit, that a mistake has occurred, either in having abated a larger amount than it was designed to claim, or in abating a tax which has been previously abated, he should immediately notify the Commissioner of the fact, so that the order may be recalled, and the error be corrected by the issue of a new one in its place. In such a case no credit, *for any amount whatever*, should be taken upon Form 51, or upon the quarterly account, until the order of abatement has been corrected and a new letter of credit has been received.

In the office of the Commissioner the orders of abatement are sent from the section of abatements to the division of accounts, where their amounts are entered upon the books. They are then sent to the Fifth Auditor.

THE FILING OF A CLAIM DOES NOT OPERATE AS A DELAY OF COLLECTION.

The filing of a claim for the abatement of a tax alleged to have been erroneously assessed does not operate as a suspension of the collection of the tax, or make it any less the duty of the collector to exercise due diligence to prevent the collection of the tax being jeopardized. He should, if necessary, collect the tax, and leave the tax-payer to his remedy by claim on Form 46.

Claims for abatement of taxes as uncollectible on account of insolvency of the principals on bonds given to secure the taxes should not be presented until after the cases have been reported to the Commissioner of Internal Revenue, as directed in Circular No. 331, dated January 21, 1889.

The collector should call on the bondsmen for payment when the principal is insolvent, and if they prefer to contest, he will then report to the Commissioner for authority to bring suit.

When such authority is refused, the collector will present a claim, on Forms 53 and 48, and certify whether the principal and sureties are insolvent, and have been since the time when first distraint could have been made for the taxes, and give date of office-letter declining to order suit.

Collectors should make a careful examination as to the solvency of sureties before reporting to the Commissioner for permission to bring suit or otherwise.

TAXES THAT ARE OR HAVE BEEN IN LITIGATION.

When a suit has been instituted upon a bond for the recovery of a tax due from a tax-payer who has no distrainable property, the collector may present a claim for abatement of the tax on Forms 53 and 48.

The voucher on Form 53 should show when the tax first became due; whether the tax-payer had any property liable to distraint at that time or thereafter, and whether the collector used due diligence at all times to collect the tax.

The claim should be supported by a certificate of the United States attorney stating the date of the commencement of the suit, and when the bond was first placed in his hands.

It is the duty of the collector to use the same diligence to collect a tax after it has been abated as uncollectible, or as in suit, as before abatement. Such an abatement does not impair the claim of the Government against the tax-payer or against the sureties upon his bond.

Amounts collected by distraint or otherwise, subsequent to the institution of the suit, should be at once reported to the United States attorney for his guidance in his further prosecution of the case in court.

Credit given the collector for taxes abated as uncollectible will not affect a suit pending for their recovery, nor will it relieve the collector from the duty of distraining any property of the tax-payer that may be found at any time before judgment.

Note, also, in this connection the instructions in Series 7, No. 2, revised, under the head of "Report of condition of taxes in suit."

When a suit for the recovery of a tax is decided against the United States on the merits of the case, and the decision is accepted as final, the collector should immediately present to the Internal-Revenue Office a claim for the abatement of the tax on Forms 47 and 48½, unless it has already been abated on Forms 48 and 53. The affidavit on Form 47 may be made by the collector, or any other person knowing the facts. It should be accompanied by a certificate of the clerk of the court in which the case was tried, showing when the case was tried, the amount of the bond, if any, the amount sued for, and that judgment was rendered for the defendant; also showing that the judgment was upon the merits of the case, and was not based on a mere technicality in the pleadings, or on other grounds that would not prevent another suit. In addition to this, the United States district attorney should attach his certificate to the same effect.

Where the judgment in any such case is given in favor of the United States for a portion only of the amount sued for, the balance should be claimed for abatement as erroneous, and the claim should be supported by the certificate of the clerk of the court and the United States attorney, as prescribed in the foregoing case.

When a suit for the recovery of a tax is decided in favor of the United States, and execution issued and returned *nulla bona*, as respects the whole or a part of the judgment, the collector should satisfy himself, by careful inquiry, whether any personal property can be found to satisfy the judgment in whole or in part, and whether there is any real estate which can be subjected, by distraint or by suit in equity, under section 3207, Revised Statutes United States, to sale in satisfaction of the judgment; and if he should be fully satisfied that there is no such real or personal property, he should thereupon present to the Internal-

Revenue Office a claim, on Forms 48 and 53, for the abatement of the amount which has not been and can not be collected, if it has not already been abated, making a statement thereon of his action, accompanied by a certificate of the clerk of the court as to the facts in the case.

When a suit for taxes not abated as uncollectible is dismissed upon a technical defect in the proceedings, or when an adverse verdict is rendered on some technical ground not reaching the merits of the case, and the right to a new trial or to an appeal has lapsed, and the tax can not be collected by distraint or by suit in equity to subject real estate to sale, the claim for abatement of the taxes should be made on Forms 48 and 53.

Collectors are authorized to pay the clerk of the court his legal fees for the certificates required by the regulations of this Department furnished by him relative to litigated taxes, and will be credited in their expense accounts for the amounts so paid on filing therewith vouchers covering the expenses thus incurred.

Where land is sold to satisfy assessments, the amount realized, after deducting expenses of sale, should be credited to the lists, and the remainder, if uncollectible, claimed on Forms 53 and 48. If land is bid in by the collector for the United States, the amount for which the same is purchased, after deducting expenses of sale, should be credited to the assessments under the limitations prescribed in Series 7, No. 7, revised, and the remainder, if uncollectible, claimed on Forms 53 and 48.

ABATEMENT OF STAMP TAXES ASSESSED.

Claims for the release of duplicate charges arising from the assessment of stamp taxes should be presented on Forms 66 or 66*a*, except where the tax happens to be paid prior to the date of the list on which it is assessed. In such cases of prepayment the assessment is erroneous, as the tax is no longer due at the time of the assessment, and claims for the abatement of such erroneous assessments should be presented on Forms 47 and 48½.

These claims should be made by the collector or his deputy, as the information upon which they are based is of record in the collector's office.

In claims for the abatement of assessments on spirits in warehouse, the affidavit on Form 47 should recite the number of the distillery-warehouse, the serial numbers of the packages assessed, the taxable contents, the amount of tax paid, and date of payment. Where the tax is assessed on the original gauge, and claim is made for the abate-

ment of the tax on leakage allowable under section 17, act of May 28, 1880, the collector should state, in addition to the above facts, the original contents of the packages, and the quantity allowed as leakage, and should state whether the request for a regauge was made by the distiller, and whether the regauge was actually made before the withdrawal of the spirits.

When abatement is asked of stamp taxes assessed on brandy not warehoused, the serial numbers of the tax-paid stamps should be given, in addition to the information above required for the abatement of tax on spirits that have been in warehouse.

Where special-tax stamps are issued and assessments are made for the taxes after the stamps are issued, claims should be made on Forms 47 and 48½. The number of the special-tax stamp, and date of payment of the tax, should be given on Form 47 in every case.

PREPARATION OF CLAIMS FOR THE REFUNDING OF TAXES AND PENALTIES CLAIMED TO HAVE BEEN ERRONEOUSLY OR ILLEGALLY COLLECTED, OR REFUNDABLE UNDER REMEDIAL STATUTES.

FORM 46.

Claims for the refunding of taxes and penalties must be made out upon Form 46. In this case, as in that of claims for abatement upon Form 47, the burden of proof rests upon the claimant. All the facts relied upon in support of the claim should be clearly set forth under oath. The claim should be still further supported by an affidavit of the deputy collector of the proper division, and by the certificate of the collector.

This affidavit and certificate should be, respectively, in form as follows:

Deputy collector's affidavit.

I, ——— ———, deputy collector, —— division, —— district, being duly sworn according to law, depose and say, that I have *personally* investigated the statements made in the within affidavit, _____

_____

_____

_____

and from the best information I can obtain, after careful inquiry, I believe such statements to be in all respects just and true.

_____

_____

——— ———.

Sworn to and subscribed before me, this —— day of ———, A. D. 18—.

——— ———.

But if the deputy collector has reason to doubt the correctness of the statements made by a claimant, he should modify his affidavit accordingly, a space being left for that purpose at the close of the affidavit. If he has not investigated all the facts, he should state in the blank space left in the body of the affidavit for that purpose what facts he has not investigated.

Collector's certificate.

I hereby certify, that I have carefully investigated the matters set forth in the within affidavit, and am satisfied that the statements are, in all respects, just and true; and I further certify, upon personal examination, that I find the sum of ——— dollars and ——— cents, reported against the said ——— ———, on page ——, line ——, of the list on Form ——, for ———, 18—, and also the sum of ——— dollars and ——— cents reported against ——— on page ——, line ——, of the list on Form ——, for ———, 18—, now on file in my office; and that the same w—— paid to me on the —— day of ———, 18—, and on the —— day of ———, 18—, and —— included in my aggregate receipt for the said list , which receipt , amounting to $——, and $——, respectively, w—— transmitted to the Commissioner of Internal Revenue; that no claim for the assessment herein complained of has heretofore been presented; that the money herein claimed was not paid on a compromise; and that no unpaid assessments or other evidences of debt are standing upon the records of this office against the claimants.

Dated: ———, 18—. *Collector,* ——— ———, *District* ———.

A claim for refunding should be made in the name of the party assessed, if living; if he is dead, there should be evidence of his death, and the claim should be made in the name of the executor or administrator. Certified copies of the letters of administration or letters testamentary, or other similar evidence, should be annexed to the claim to show that the claimant is administrator, etc.

The affidavit may be made by an agent of the party assessed; but, in such a case, there should be evidence of the agency, and of the sources of the agent's knowledge concerning the case in question.

PAYMENT OF CLAIMS ALLOWED.

Drafts for amounts allowed will be drawn in the name of the parties entitled to the money, and will, except in cases where the claimants appear in person, be sent to the collector, who will deliver them to the claimants, taking receipts therefor in duplicate. The original receipts will be sent by him to the Commissioner of Internal Revenue; the duplicates will be retained by him for his own protection. But if the claimants are indebted to the United States for taxes, they must be paid

before the drafts are delivered. (See Circular 13, issued February 6, 1886, as amended by Circular 115, issued October 12, 1887.)

Attention is also called to the following act, approved March 3, 1875 (18 Statutes, 481), concerning—

REDUCTIONS OF AMOUNTS DUE BY CLAIMANTS, ETC.

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That when any final judgment recovered against the United States or other claim duly allowed by legal authority, shall be presented to the Secretary of the Treasury for payment, and the plaintiff or claimant therein shall be indebted to the United States in any manner, whether as principal or surety, it shall be the duty of the Secretary to withhold payment of an amount of such judgment or claim equal to the debt thus due to the United States; and if such plaintiff or claimant assents to such set-off, and discharges his judgment or an amount thereof equal to said debt or claim, the Secretary shall execute a discharge of the debt due from the plaintiff to the United States. But if such plaintiff or claimant denies his indebtedness to the United States, or refuses to consent to the set-off, then the Secretary shall withhold payment of such further amount of such judgment, or claim, as in his opinion will be sufficient to cover all legal charges and costs in prosecuting the debt of the United States to final judgment. And if such debt is not already in suit, it shall be the duty of the Secretary to cause legal proceedings to be immediately commenced to enforce the same, and to cause the same to be prosecuted to final judgment with all reasonable dispatch. And if in such action judgment shall be rendered against the United States, or the amount recovered for debt and costs shall be less than the amount so withheld as before provided, the balance shall then be paid over to such plaintiff by such Secretary, with six per cent. interest thereon, for the time it has been withheld from the plaintiff."

CLAIMS FOR SUMS RECOVERED BY SUIT.

Claims for sums of money recovered by suit for any of the causes, and against any of the officers, enumerated in section 3220, Revised Statutes, should be made upon Form 46. The claimant should state the grounds of his claim under oath, giving the names of all the parties to the suit, the cause of action, date of its commencement, the date of the judgment, court in which it was recovered, and its amount. To this affidavit there should be annexed a duly certified copy of the record of the court in the case, and a certificate of probable cause.

Section 989 of the Revised Statutes is as follows:

"When a recovery is had in any suit or proceeding against a collector or other officer of the revenue for any act done by him, or for the recovery of any money exacted by or paid to him, and by him paid into the Treasury, in the performance of his official duty, and the court certifies that there was probable cause for the act done by the collector or other officer, or that he acted under the directions of the Secretary of the Treasury, or other proper officer of the Government, no execution

shall issue against such collector or other officer; but the amount so recovered shall, upon final judgment, be provided for and paid out of the proper appropriation from the Treasury."

In view of the foregoing provisions protecting the collector from personal liability in case the court certifies that there was probable cause for the act done by him, it will be observed that it is for the interest of the collector to see that in all cases where judgment is rendered against him the court shall be asked to give the certificate of probable cause.

If the judgment debtor shall have already paid the amount recovered against him, the claim should be made in his name, and the affidavit should state the exact amount paid by him. There should also be a certificate of the clerk of the court in which the judgment was recovered (or other satisfactory evidence), showing that the judgment has been satisfied, and specifying the exact sum paid in its satisfaction, with a detail of all items of cost paid, or which the judgment-debtor is liable for.

STATUTE OF LIMITATION.

SECTION 3228 [Revised Statutes, United States]. "All claims for the refunding of any internal tax alleged to have been erroneously or illegally assessed or collected, or of any penalty alleged to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, must be presented to the Commissioner of Internal Revenue within two years next after the cause of action accrued: *Provided*, That claims which accrued prior to June six, eighteen hundred and seventy-two, may be presented to the Commissioner at any time within one year from said date. But nothing in this section shall be construed to revive any right of action which was already barred by any statute on that date."

No claim or application hereafter filed for the refunding of taxes under section 3220 or section 3221 of the Revised Statutes, or section 6, act of March 1, 1879, as amended, will be entitled to consideration unless the same shall be filed within two years from the date of the payment of the tax. This limitation does not apply to claims for the redemption of stamps. Section 3426 of the Revised Statutes, as amended by the act of March 1, 1879, provides specially for limitation of that class of claims. Claims for taxes recovered by judgments should be presented within two years after date of judgment.

If a claim for refunding is duly prepared and is received by the proper collector in time to reach the Commissioner by due course of mail "within two years next after the cause of action accrued," it is regarded as "*presented to the Commissioner*" within the meaning and intent of the statute. (See decision of Court of Claims in case of Real Estate Savings Bank of Pittsburgh, Internal Revenue Record, vol. 27, p. 153.)

EXCESS AND DEFICIENCY ASSESSMENTS.

Section 6 of the act of March 1, 1879, as amended, is as follows:

"That whenever, under the provisions of section thirty-three hundred and nine of the Revised Statutes, an assessment shall have been made against a distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law, or for the tax upon the spirits that should have been produced from the grain, or fruit, or molasses found to have been used in excess of the capacity of his distillery for any month, as estimated according to law, such excessive use of grain, or fruit, or molasses having arisen from a failure on the part of the distiller to maintain the capacity required by law to enable him to use such grain, or fruit, or molasses without incurring liability to such assessment, and it shall be made to appear to the satisfaction of the Commissioner of Internal Revenue that said deficiency, or that said failure, whereby such excessive use of grain, molasses, or fruit arose, was not occasioned by any want of diligence or by any fraudulent purpose, on the part of the distiller, but from misunderstanding as to the requirements of the law and regulations in that respect or by reason of unavoidable accidents, then, and in such case, the Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury is authorized, on appeal made to him, to remit or refund such tax, or such part thereof as shall appear to him to be equitable and just in the premises. And the Commissioner of Internal Revenue upon the production to him of satisfactory proof of the actual destruction, by accidental fire or other casualty, and without any fraud, collusion, or negligence of the distiller of any spirits in process of manufacture or distillation, or before removal to the distillery warehouse, shall not assess the distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law when the deficiency is occasioned by such destruction, nor shall he, in such case, assess the tax on the spirits so destroyed. *Provided*, That no tax shall be remitted or refunded under the provisions of this section upon any assessment made prior to January first, eighteen hundred and seventy-four: *Provided further*, That no assessments shall be charged against any distiller of fruit for any failure to maintain the required capacity, unless the Commissioner shall, within six months after his receipt of each monthly report notify such distiller of such failure so to maintain the required capacity."

In case of an accident, causing an involuntary suspension, the distiller and storekeeper should follow the instructions contained on page 35, Series 7, No. 7, as nearly as possible.

In presenting claims for the abatement or refunding of deficiency assessments occasioned by unavoidable accident, the claimant should state under oath when the accident occurred, the nature and origin of the same, in what particular it affected the operations of the distillery, and whether the deficiency or failure was occasioned by any fraudulent purpose or want of diligence on the part of the distiller or his agents or employés; also, whether the storekeeper dismantled the distillery,

and, if so, when; whether he sent notice of suspension to the collector or his deputy in charge of the distillery, and, if so, when; and how long the distillery remained idle on account of the accident.

The deputy collector should state when he received the notice and the date thereof; when he reached the distillery, and whether there was any delay in receiving the notice or going to the distillery after he received it. He should also state whether he found the distillery dismantled, and, if so, he should ascertain, if possible, and report the date of dismantling. He should also state whether any mash, wort, or beer was made, or spirits distilled, after the dismantling of the distillery.

The storekeeper and gauger will, if cognizant of the facts, state under oath the nature and origin or cause of the accident and the circumstances connected with the same; what efforts were made by the distiller and his employés or agents at the time of the accident to prevent its occurrence; and what precautions were taken by the distiller, his employés or agents, prior to the accident, to guard against its occurrence; and whether the accident was in any way attributable to any want of care, caution, attention, diligence, skill, discretion, or to fraudulent purpose on the part of the distiller or any of his employés or agents.

If it is claimed that the deficiency or excess was occasioned by misunderstanding on the part of the distiller as to the requirements of the law and regulations, the affiants should testify as to what opportunity the distiller had for information on these points; they will also, in all cases, testify as to what efforts were made by the distiller and his employés and agents to maintain the capacity or to avoid the deficiency during the month in which the failure or deficiency occurred, also prior to the month in which the failure or deficiency occurred; whether, in their opinion, such deficiency in production or failure to maintain the capacity, whereby the excessive use of material occurred, was occasioned by any want of diligence or by fraudulent purpose on the part of the distiller or his agents or employés; and the collector, in forwarding the evidence to the Commissioner, will also state his opinion on these points, and as to the equity and justice of the assessment.

The storekeeper should state, under oath, when the accident occurred; when he dismantled the distillery; when the deputy collector was notified to come; when he arrived; when the distillery resumed operations, and whether any mash, wort, or beer was made or spirits distilled during the time when the distillery was alleged to be under suspension or idle.

The collector should investigate and report as to the character of the witnesses and the truth of their statements.

Where accidents occur which do not necessitate a suspension of work, but nevertheless cause loss to the distiller and deficiency in his product, the circumstances should be fully detailed under oath and verified by the several officers as in cases of actual suspension.

Relief under section 6, act of March 1, 1879, can only be granted in cases where the assessment "was not occasioned by any want of diligence, or by any fraudulent purpose on the part of the distiller, but from misunderstanding as to the requirement of the law and regulations in that respect, or by reason of unavoidable accidents."

A copy of regulations, Series 7, No. 7, and Supplement No. 2 to Series 7, No. 7, and of all other regulations governing the business of the distiller, should be furnished to each distiller, and the fact and date of delivery certified to the Internal-Revenue Office by the collector. After such copies of the regulations have been furnished to the distiller, it will be presumed that he has made himself acquainted with them.

His receipt for such copies should be taken on Form No. 163, which will be furnished to collectors for this purpose. When a distiller refuses to sign such receipt, the officer making the service should state under oath, on Form 164, the fact of such refusal, and that the regulations (naming them) were delivered to and left with the distiller on the date specified. The receipt or affidavit, as the case may be, should be forwarded to the Internal-Revenue Office.

Whenever relief is sought under the provisions of section 6, act of March 1, 1879, from taxes on deficiency or on excess, on the ground of misunderstanding as to the requirements of the law and regulations, the claimant will be required to show what the circumstances were which led to the misunderstanding, and what particular provision of law or regulations was misunderstood. It must also clearly appear that the assessment resulted wholly or in part from such misunderstanding, and was not occasioned by any want of diligence or by any fraudulent purpose on the part of the distiller.

Fruit distillers should promptly register, as *not for use*, any still that is not actually used, as otherwise the capacity of such still will be charged whenever distilling is done with other stills. (See Circular No. 317, revised.)

The following definitions are published here for the guidance of revenue officers and distillers:

ACCIDENTS.

In determining what shall be considered an accident, it is held that not only will inevitable casualty or acts of Providence, or what may

be called irresistible force, be considered, but such unforeseen events, misfortunes, losses, acts, or omissions, as are not the results of any negligence or misconduct on the part of the distiller or owner of distilled spirits, or their agents or employés.

If the facts relied upon resulted from the operations of nature, they must be something out of the ordinary course of things. It can not be considered an accident that the sun shines, that it rains, snows, freezes, thaws—that a river rises or falls at certain seasons of the year—that water becomes warm in the summer and cold in winter. If either of these ordinary processes of nature is adduced as a reason why a tax should be abated, it must affirmatively appear that the change was so sudden and severe that it was out of the ordinary course of events, and, therefore, could not be provided against.

When a case of accident of the above character occurs, the distiller must at once give notice to the collector or deputy collector, so that the facts can be investigated and reported upon and the immediate action of this office be had upon the question of suspending work.

UNAVOIDABLE ACCIDENTS.

In placing a construction upon the words "*unavoidable accidents.*" as they relate to the operations of distilleries, it will be necessary to consider the facts and circumstances relied upon as grounds of relief in each case. The act of March 1, 1879, requires due diligence on the part of the distiller, and his agents and servants, and if the circumstances relied upon were the result of the negligence or misconduct of the distiller, or his agent or servant, he will have no claim to relief.

DILIGENCE.

Diligence is the doing of things in proper time. As the opposite of negligence, it signifies, primarily, care, caution, attention, promptitude, skill, or discretion in the performance of an act.

ABATEMENT OR REFUNDING OF TAXES ON DISTILLED SPIRITS IN BOND DESTROYED BY CASUALTY.

Section 3221 of the Revised Statutes provides that—

"The Secretary of the Treasury, upon the production to him of satisfactory proof of the actual destruction by accidental fire or other casualty, and without any fraud, collusion, or negligence of the owner thereof, of any distilled spirits, while the same remained in the custody of any officer of internal revenue in any distillery warehouse, or bonded warehouse of the United States and before the tax thereon had been paid, may abate the amount of internal taxes accruing thereon, and may cancel any warehouse bond, or enter satisfaction thereon, in whole or in part, as the case may be. And if such taxes have been collected

since the destruction of said spirits, the said Secretary shall refund the same to the owners thereof out of any moneys in the Treasury not otherwise appropriated."

Section 3222 provides—

That "The preceding section shall take effect in all cases of loss or destruction of distilled spirits as aforesaid which have occurred since January one, eighteen hundred and sixty-eight."

Section 3223 further provides that—

"When the owners of distilled spirits in the cases provided for by the two preceding sections may be indemnified against such tax by a valid claim of insurance, the tax shall not be remitted to the extent of such insurance."

Section 3221 of the Revised Statutes was amended by the act of March 1, 1879, by adding the following:

"And when any distilled spirits are hereafter destroyed by accidental fire or other casualty, without any fraud, collusion, or negligence of the owner thereof, after the time when the same should have been drawn off by the gauger and placed in the distillery-warehouse provided by law, no tax shall be collected on such spirits so destroyed, or, if collected, it shall be refunded upon the production of satisfactory proof that the spirits were destroyed as herein specified."

It will be observed that this amendment of March 1, 1879, only relates to spirits *thereafter destroyed.*

To obtain the relief afforded by the foregoing provisions of law, the owner of the spirits destroyed will file with the collector in whose district the loss occurred, a sworn statement setting forth the date, origin, and nature of the destruction; the quantity of spirits lost by leakage, evaporation, or other cause prior to the casualty; the quantity actually destroyed by the casualty (specifying the number of packages, the serial number of each package, the serial number of the stamp affixed thereto, and the actual contents thereof in wine, proof, and taxable gallons); the quantity of spirits remaining after the casualty; that the destruction of the spirits was accidental, and without any fraud, collusion, or negligence on his part; that the spirits were owned by him at the time of their destruction, and whether he is in any manner indemnified against the tax by any valid claim of insurance. He will further state in his affidavit the value of the spirits per gallon, exclusive of the tax, at the time of their destruction; the amount of each policy of insurance held by him, or any other person, covering the spirits or any of the distillery property at the time of the casualty; the date when each policy was issued, and also the amount of insurance paid.

In addition to the foregoing statement, the sworn statements of the gauger and storekeeper on duty at the warehouse at the date of the destruction must be filed with the collector, setting forth in detail the

quantity of spirits in the warehouse at that date, and the quantity remaining after the casualty; that no unauthorized allowance or withdrawal has been made, or permitted by them to be made, in favor of the claimant or any other person; that they believe the spirits to have been actually and accidentally destroyed, without fraud, collusion, or negligence of the owner thereof, and their reasons for such belief.

In case the storekeeper or gauger, or both, were present at the destruction of the spirits, they will, if possible, state the origin of the fire, or other casualty, with the circumstances connected with the same. They will also state what efforts were made to prevent the destruction of the warehouse and contents; what efforts were made to remove the spirits to a place of safety, and whether, in their opinion, the actions of the owner of the spirits indicated a real desire to save the same from destruction.

Whenever a collector is advised of the destruction of any distilled spirits while stored in a distillery warehouse or bonded warehouse in his district, he will himself, or by his deputy, immediately visit the premises, and make a thorough investigation as to the destruction reported. He will, if possible, obtain the sworn statements of at least three disinterested persons, who witnessed the destruction or had knowledge of the circumstances connected therewith, as to the nature of the fire or other casualty; as to the efforts made to save the spirits from destruction, and as to the general character of the claimant. He will also ascertain the market value of the spirits at the time of their destruction and the amount of indemnity covered by insurance. He should also give a record of the distillery, showing when it commenced running; the number and dates of suspensions during the six months previous to the casualty; whether the distillery was suspended at the time of the casualty, and, if so, whether and when it resumed, and how long it continued in operation thereafter under the same distiller; also, the location of the distillery, and, when situated in the country, its distance from the county-seat and from the nearest town or village; and the distance of the distiller's or of the principal manager's residence from the distillery at the time of the casualty. A printed list of questions to be answered in cases of this nature has been prepared, marked "A," and will be furnished, on application, for use when claims arise.

After having made the investigation here ordered, and having received the application and other evidence of loss, the collector will forward to the Commissioner of Internal Revenue all the papers in the case, together with a report of the investigation made by him, and he will state in his

report the market value of the spirits at the time of their destruction, the amount of indemnity covered by insurance, and his opinion as to the general character of the claimant, the reliability of the several witnesses, and the propriety of allowing the claim.

Where policies of insurance are held by the claimant, or by any other person, covering the spirits claimed to have been destroyed, the collector will forward certified copies of such policies with the other papers in the case.

Should the result of an investigation into an alleged loss indicate that fraud has been committed or attempted, the collector will forward at once a report of such investigation, without awaiting the filing of the application of the owner of the spirits; and in any case, should the owner of any distilled spirits claimed to have been destroyed neglect to file the application and other evidence of loss, as required by the foregoing regulations, within thirty days from the date of the alleged destruction, the collector will at once forward to the Commissioner a full report of the investigation required of him to be made.

Where a claim for abatement has been filed and not allowed by the Secretary of the Treasury before the time when the tax on the spirits becomes due, the collector will, unless notified by the Commissioner to await final action on the claim, place the warehousing bonds covering such spirits in the hands of the United States district attorney for suit.

When the claim is received by the Commissioner, he will cause it to be examined and compared with the files and records of his office, and, having obtained such additional evidence in the case as may in his judgment be necessary, he will indorse thereon his opinion in regard to the validity of the claim, and recommend such disposition of it as he may deem proper. He will thereupon transmit the claim, with all the papers, to the Secretary of the Treasury, who will return the same to the Commissioner of Internal Revenue with his final decision in the case, as provided by law. And the collector will, upon notice that the claim or any part thereof has been allowed, take credit on the proper line on his bonded account, Form 94*a*, for the amount of such allowance, forwarding as a voucher a copy of the notice authorizing the credit to be taken.

Where the taxes have been assessed, the collector, after taking credit on his bonded account for amounts abated by the Secretary of the Treasury, should present to the Commissioner claims in his own name on Form 47, scheduled on Form 48½, on receipt of which orders of abatement will be drawn for the purpose of clearing the lists.

In case the claim is for the refunding of taxes paid on distilled spirits subsequent to their destruction, it will be made out on Form 46; and,

in addition to the certificates required by that form, will be accompanied by the affidavits of the gauger, storekeeper, and the owner of the spirits, and the report of the collector, as in the case of a claim for an allowance in the bonded account.

Where spirits have been destroyed in cistern, as contemplated by the amendment to section 3221, the foregoing instructions will be fully complied with, except where manifestly inapplicable, and, in addition thereto, the distiller should state, under oath, the quantity of spirits contained in the cistern at the time of the casualty, his means of knowing the quantity so contained therein, when they were produced, when they were run into the cistern, and when they should have been drawn off and gauged by the gauger; also, whether all the spirits on account of which he claims credit were a total loss.

The gauger should state under oath when the spirits were destroyed, when he last withdrew spirits from the cisterns, when the spirits destroyed should have been withdrawn, if before the destruction, the cause of the delay in making the withdrawal, and the probable quantity of spirits in the cistern at the time the withdrawal should have been made.

The storekeeper should state under oath whether the spirits contained in the cistern at the time of the casualty were a total loss; if not, the quantity saved should be stated.

Section 3223, Revised Statutes, as amended by section 3 of the act of March 1, 1879, reads as follows:

"When the owners of distilled spirits in the cases provided for by the two preceding sections may be indemnified against such tax by a valid claim of insurance, for a sum greater than the actual value of the distilled spirits before and without the tax being paid, the tax shall not be remitted to the extent of such insurance."

The change in this section consists in the qualification of the expression "a valid claim of insurance" by the phrase "for a sum greater than the actual value of the distilled spirits before and without the tax being paid."

It is clear that under this section, as amended, the owner of the spirits is not entitled to any allowance, under section 3221, Revised Statutes, on so much of the tax as is equal to the valid insurance in excess of the actual value of the spirits exclusive of the tax; for instance, if the market value of a gallon of spirits exclusive of the tax is $1.10, and the insurance on the same is $1.50, the amount abatable thereon, under section 3221, is only 50 cents, the tax not being remitted to the extent of the excessive insurance, which is 40 cents.

GENERAL REMARKS.

1. Each claim for the abatement of an erroneous assessment should be made upon a separate form (47), and be scheduled upon Form 48½.

2. The collector should keep a perfect record, in the book furnished for the purpose, of all claims presented to the Commissioner, and must certify as to each claim whether it has been before presented or not.

3. If any claim on Forms 46 or 47 is presented without the affidavit of the deputy collector, the reason for the omission must be given.

4. If in any case, after a full investigation, the collector can not certify to the facts set forth in the affidavits, he should state the reason for his dissent, and allow the party to corroborate his statements by such other proof as he may be able to furnish.

5. Affidavits may be made before any internal-revenue officer authorized to administer oaths without fee. Any other person administering an oath or affirmation must show, by seal or certificate from the proper authority, that he is qualified to do so. An officer in signing a jurat should give the title of his office.

6. Credit should not be taken by collectors for taxes supposed to be uncollectible until a letter of credit for the abatement is received from the Commissioner. When taxes are abated, the amounts are at once credited to collectors upon the books of the office of the Commissioner of Internal Revenue, and schedules of the same are sent to them with authority to take credit for the sums abated in their next quarterly accounts.

7. When a claim for the abatement or refunding of a special tax is made on account of a duplicate assessment, it should appear that the party assessed had but one place of business, and that both assessments were made for the same person, time, place, and business.

8. All amendments in the statement of facts in claims must be made under oath.

9. When an affidavit is rejected upon a schedule and returned for amendment, the amendment should, whenever it is practicable, be made upon the same blank, *i. e.*, upon the rejected affidavit, which should be rescheduled upon Form 48½.

10. With each claim for the refunding of money paid for tax-paid spirit-stamps purchased to replace lost stamps (which claims should be made on Form 46), there should be filed a statement showing the serial numbers of the lost stamps, and the serial numbers of the stamps which replace them, the serial numbers of the packages for which the lost stamps were purchased, and the fact that the new stamps were attached to said packages, and the date of purchase of each lot of stamps. Evi-

dence should also be filed showing in whose possession the lost stamps were at the time of the loss, the manner of loss and circumstances connected therewith, and the efforts made to recover the stamps. A bond should also be filed with each claim, in double the amount claimed, with two or more sureties approved by the collector, indemnifying the United States against loss in case the missing stamps should be used. A form of bond for such cases has been prepared, and will be furnished to collectors on application.

11. All copies should be certified to be true ones.

12. Care should be taken to certify, in every instance, where a previous claim has been presented in the same case, the date of the previous claim.

13. When an affidavit is made upon Form 47 by some other party than the one against whom the tax was assessed, the name of the party assessed should appear upon the outside of that form, and upon Form 48½.

14. When a firm is the claimant, the claim should be in the name of the firm; but the members of the firm should swear, each for himself, to the facts set forth, including that of membership, and should subscribe their own individual names. The artificial person, to wit, the firm, can not make oath.

15. In claims for abatement or refunding the collector will, in all cases, insert in his certificate the *full amount of the assessment, and not simply the amount claimed.*

16. When the collector has twice collected the tax upon the same assessment, he will charge himself with the duplicate payment on Form 58; and when a claim is made, he will state in his certificate upon Form 46 that he has so charged himself with said amount, stating the month where charged.

17. When a claim for refunding is made on the ground of a duplicate assessment and payment, the collector will certify to the duplicate assessment and payment on Form 46, giving the full amount both of the assessment and of the payment, and will also give the page, list, and line, in each case.

18. In the case of taxes which do not stand charged against the present collector, there should be a Form 53 from the ex-collector against whom they do stand charged, and a Form 53 from each and every other one, including the present collector, who has held the lists for collection since the person so charged held them.

19. After a claim for abatement has passed the preliminary examination, and has been marked "approved" by the person making that

examination, it is often found necessary to return the affidavits for further evidence, to be scheduled, etc. Collectors are not to treat such claims as *allowed* and take credit for them. They should comply with the instructions which accompany the affidavits, and enter the affidavits upon their next schedule. *No credit for abatements should be taken except upon letters of credit from the Commissioner of Internal Revenue.*

20. Many of the rules for the preparation of claims upon Form 47 are equally applicable to the preparation of those upon Form 46. They should be followed wherever they are not manifestly inapplicable.

21. In all cases where claims on Forms 46 or 47 are returned to the collector for amendment, they should be returned to the Internal-Revenue Office and not destroyed. If a new claim is presented instead of the original, both should be sent to the Internal-Revenue Office.

22. All claims for the redemption of special-tax or other stamps should be made on Form 38, but claims for the refunding of penalties paid for failure to make returns, and claims for refunding taxes paid for tax-paid spirit-stamps purchased to replace lost stamps should be made on Form 46.

23. Relative to the taking of additional testimony in support of claims for the abatement or refunding of taxes, the attention of revenue officers and claimants is called to the requirements of Circular No. 174, dated October 30, 1877:

"CIRCULAR NO. 174.

"In all claims for abatement, refunding, drawback, or reward for information, all applications for compromise, all contested questions as to claims of the Government for taxes not assessed, and generally in all matters wherein additional testimony is required to be taken, no *ex-parte* affidavit or deposition will be considered unless the same shall have been taken after due notice to the Commissioner as herein prescribed.

"Such notice must state the time and place at which, and the officer before whom, the testimony will be taken; the name, age, residence, and business of the proposed witness, with the questions to be propounded to the witness, or a brief statement of the substance of the testimony he is expected to give.

"The notice shall be delivered or mailed to the Commissioner a sufficient number of days previous to the day fixed for taking the testimony, to allow him, after its receipt, at least five days, exclusive of the period required for mail-communication with the place at which the testimony is to be taken, in which to give, should he so desire, instructions as to the cross-examination of the proposed witness.

"Whenever practicable, the affidavit or deposition should be taken before a collector or deputy collector of internal revenue, in which case

reasonable notice should be given to the collector or deputy collector of the time fixed for taking the deposition or affidavit.

"It will be observed that these regulations relate to affidavits and depositions *additional* to those presented with the claim or matter in question, as now provided for under existing regulations.

"The foregoing regulations are not intended to preclude the examination of witnesses before the Commissioner; and he also reserves to himself the right to receive and consider affidavits as to which previous notice has not been given, where the reason for failure to give such notice shall appear to him to be sufficient, and also in other cases in which, from their exceptional character, or the character of the affidavit, he shall be satisfied that the rule should not be enforced.

"These regulations shall apply to all matters of the character first above mentioned, pending in this office on and after the 1st day of December next [1877]."

I hereby approve and prescribe the foregoing Regulations.

WILLIAM WINDOM,
Secretary of the Treasury.

(Series 7, No. 14, Revised—Supplement No. 1.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING THE

REBATE OF TAXES

ON

TOBACCO AND SNUFF,

UNDER

THE ACT OF DECEMBER 15, 1890.

DECEMBER 16, 1890.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

TREASURY DEPARTMENT,
Document No. 1391.
Internal Revenue.

55277

(Series 7, No. 14, Revised—Supplement No. 1.)

REGULATIONS

IN RELATION TO

REBATE OF TAXES ON TOBACCO AND SNUFF, HELD BY MANUFACTURERS AND DEALERS ON JANUARY 1, 1891.

TREASURY DEPARTMENT,
Office of Internal Revenue, Washington, D. C., December 16, 1890.

The act of December 15, 1890, entitled "An act to authorize the payment of drawback or rebate in certain cases," is as follows:

Be it enacted, etc., That on all original and unbroken factory packages of smoking and manufactured tobacco and snuff, held by manufacturers or dealers at the time the reduced tax as provided for in "An act to reduce the revenue and equalize duties on imports, and for other purposes," approved October 1, 1890, shall take effect, upon which the tax has been paid, there shall be allowed a drawback or rebate of the full amount of the reduction, but the same shall not apply in any case where the claim has not been presented within sixty days following the date of reduction; and such rebate to manufacturers may be paid in stamps at the reduced rate; and no claim shall be allowed or drawback paid for a less amount than $5. It shall be the duty of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to adopt such rules and regulations and to prescribe and furnish such blanks and forms as may be necessary to carry this act into effect. For the payment of the rebates provided for in this act there is hereby appropriated any money in the treasury not otherwise appropriated.

The drawback or rebate authorized by said section will be allowed and paid by the Commissioner of Internal Revenue, upon proof satisfactory to him, under the rules and regulations and upon the blanks and forms herein or elsewhere, and now, heretofore, or hereafter adopted by him for that purpose, with the approval of the Secretary of the Treasury.

Claims for rebate will be presented on forms substantially as follows:

(Form No. 195. Revised.)

UNITED STATES INTERNAL REVENUE.

Claim for Rebate under the Act of December 15, 1890, *of Taxes paid on Tobacco and Snuff.*

STATE of ——— } CLAIM of ——— ———, of ———, doing business as [1] ———,
DISTRICT No. —— } Special-Tax Stamp No.——, Series of 1890.

Inventory of tobacco and snuff on hand Jan. 1, 1891, held in original and unbroken stamped factory packages, at No. —— ——— street, in [2] ———, upon which rebate is claimed:

SNUFF—8 cents per lb.				TOBACCO—8 cents per pound.						
1.	2.	3.	4.	5.	6.	7.	Serial numbers of stamps and weights—10 lbs. and upwards.			
							8.	9.	10.	11
Weight of package.	Number of stamped packages.	Total weight, in lbs. and fractions of lbs.	[3] Weights not found in column 1.	Weight of package.	Number of stamped packages.	Total weight, in lbs. and fractions of lbs.	Serial Nos. of stamps.	Weight.	Serial Nos. of stamps.	Weight.
½ oz.....				1 oz.						
1 oz.....				2 oz						
2 oz.....				3 oz.						
3 oz.....				4 oz.						
4 oz.....				8 oz.						
6 oz.....				16 oz.						
8 oz.....				½ lb.						
16 oz.....				1 lb.						
½ lb.....				2 lb.						
1 lb.....				3 lb.						
2 lb.....				4 lb.						
3 lb.....				5 lb.						
4 lb.....										
5 lb.....										
10 lb.....				Total of col. 9						
20 lb.....				Total of col. 11						
			*							
Total weight.....				Total weight...						
Rate of rebate per lb.....			$0.02	Rate of rebate per pound		$0.02				
Amount of rebate.....			$——	Am't of rebate..$——						
							Total..... (Carried up to col. 7.)		Total..... (Carried up to col. 7.)	

RECAPITULATION.

Description.	Quantity.	Rate of rebate.	Amount.	
Snuff.....		2 cts. per lb...		
Tobacco.....		2 cts. per lb...		
Total.....	.....	.....	$	

1. "Dealer in manufactured tobacco," or "manufacturer of tobacco." 2. Name of town or city. 3. In column **4** enter the separate weight of each package of snuff which is not of any exact size described in column **1**. *Here enter the total of column **3** and add it with column **4**.

† If impossible to give the serial numbers, so state.

Affidavit of Claimant.

STATE OF ———, }
COUNTY OF ———, } *ss:*

——— ———, of the ——— of ———, and State and county aforesaid, being duly sworn according to law, deposes and says that [1]——— ——— was, on the first day of January, 1891, engaged in business as a [2] ———, at No. ——— ——— street, in said ———, and that on the first day of January, 1891, at the beginning of the day, -he-[3] owned, held, and had on hand in the [4]——— at No. ——— ——— street, in the ——— of ———, county and State aforesaid, all of the tobacco and snuff set forth and described in the foregoing inventory, all of which were in the original and unbroken packages as they were put up by the manufacturers, and were marked, branded, and stamped in accordance with law and the regulations of the Commissioner of Internal Revenue, and stamps thereon were duly cancelled.

Deponent further says, that the quantity and description of the goods on hand, as per the foregoing inventory, were ascertained on January 1, 1891, in the presence of ——— ——— and ——— ———, and that each and all of the packages enumerated and embraced in the said inventory were original and unbroken factory packages, in the exact condition as to their contents as when they were put up by the manufacturer, nothing having been added to or taken therefrom since they were packed and stamped at the place of manufacture.

And deponent now claims on behalf of himself, [5]———, a rebate of tax paid on the tobacco and snuff specified in said inventory to the amount of ——— and $\frac{}{100}$ dollars, ($———,) under the provisions of the act of December 15, 1890.

——— ———.

Subscribed and sworn to before me this —— day of ———, A. D. 1891.

——— ———,

———.

Affidavit of Witnesses.

STATE OF ———, }
COUNTY OF ———, } *ss:*

We, ——— ———, aged —— years, by occupation a ———, residing at No. ——— ——— street, and ——— ———, aged —— years, by occupation a ———, residing at No. ——— ——— street, both of the ——— of ——— and State and county aforesaid, being duly sworn according to law, severally depose and say, each for himself, that he was present at the [4]——— of ———, at No. ——— ——— street, in the ——— of ———, and State and county aforesaid, on the first day of January, 1891, between the hours of —— and ——, and witnessed the taking thereat of the inventory of the stock of tobacco, and snuff on hand at the beginning of the said first day of January; that he personally examined and counted all the packages mentioned in the foregoing inventory, and that the quantities and description of the goods on hand at such time, as stated in said inventory, are truly and correctly stated therein, and all of said tobacco and snuff was in the original and unbroken stamped factory packages at the place above specified.

And deponents severally further depose and say, each for himself, that each and every one of said packages was carefully examined by

him at the time of the taking of said inventory, and that the contents of all packages of tobacco or snuff, which appeared to have been opened, were examined and found to be the entire unbroken original contents indicated by the marks, brands, and stamps upon the packages.

And deponents severally further depose and say, each for himself, that he has read or heard read the instructions on the third page of this form, that he has personally made all the computations contained in said inventory, and has computed the sum due claimant for rebate on account of the several items of stamped goods on hand as specified in said inventory; that the same amounts in the aggregate to *——— dollars and ——— cents; that he has no interest, direct or indirect, in this claim, or any claim for rebate of tax on tobacco or snuff, under the ——— section of the act of December 15, 1890, and that he is not a clerk or employé of this claimamt or any other claimant under said act.

——— ———.

——— ———.

Subscribed and sworn to before me this —— day of ———, 1891, and I hereby certify that from information obtained or from personal knowledge I believe the above-named ——— ——— and ——— ——— to be reputable persons, whose testimony is entitled to full faith and credit, and I further certify that the affidavit was read to them before signing the same.

——— ———, ———.

1. "He" or "the firm of ———, of which he is a member," as the case may be. 2. "Dealer in manufactured tobacco," or "manufacturer of tobacco," as the case may be. 3. "He" or "they." 4. "Store," or "warehouse," or "factory." 5. If not claimed for himself, insert here name of the firm or other person on whose behalf claim is made. * The amount must be written out in words.

Deputy Collector's Affidavit.

——— ———, deputy collector —— division, —— district, State of ———, being duly sworn according to law, deposes and says that he has personally examined the foregoing inventory and the affidavits of ——— ———, claimant, and ——— ——— and ——— ———, witnesses, appended thereto; that he has made due inquiry concerning the reputation of said witnesses for truth and veracity, and believes it to be good, and he is satisfied that the statements made by them and by the claimant are in all respects just and true. He further states that upon inquiry he finds that the affidavits of claimant and witnesses were taken by an officer duly authorized to administer oaths. He further deposes and says that he has verified the computations in the inventory on the first page hereof, and finds the sum of——— and $\frac{}{100}$ dollars ($——) to be the true amount of rebate due on the stock embraced in said inventory, and he believes the said ——— ——— to be entitled to that amount.

——— ———,
Deputy Collector.

Subscribed and sworn to before me this —— day of ———, A. D. 1891.

——— ———, ———.

Collector's Certificate.

I hereby certify that the affidavits of ——— ———, claimant, and ——— ——— and ——— ———, witnesses, herewith, have been examined; that the claimant is a ——— ———, and I am satisfied that the witnesses named bear a good reputation for truth and veracity, and I believe that the facts are as stated in said inventory and affidavits; that the claim is just and true, and that the amount of ——— dollars should be paid to ——— ——— as a rebate of stamp-tax paid on tobacco and snuff mentioned and described in the foregoing inventory.

——— ———,
Collector —— District of ———.

Dated ———, 1891.

Instructions.

☞Claimants and witnesses should read carefully these instructions before proceeding to take the inventory of stock, and should also read the foregoing forms of affidavits, that they may understand clearly what is required of them.

1. The expression "original and unbroken factory packages" embraces every whole, duly stamped package, large or small, which remains as it came from the factory, with the same contents and all of the same originally packed therein.

2. The goods upon which the manufacturer or dealer is entitled to rebate must be carefully inventoried *on the first day of January*, 1891, in presence of two disinterested witnesses, who must be persons of good repute in the community for truth and veracity, and must not have an interest in any claim for rebate of tax on tobacco, or snuff, under the act of December 15, 1890, and must not be clerks or employés of any claimant under said act.

3. The form on the first page of this sheet* is prescribed for the inventory. The first column for each class of goods enumerates the various sizes of packages, except those bearing numbered stamps, and in the next column opposite each kind of package should be written the whole number of packages of that kind. In the next column the total weight of tobacco or snuff contained in each class of packages should be entered, and this column should be accurately footed in each case, and the total should be multiplied by the figures printed below it, and the amount of rebate set down underneath. The several totals and the products should be entered in the proper places in the recapitulation, and the last column thereof footed up to find the amount to be paid

4. Packages of tobacco of ten pounds or more in weight bear stamps known as coupon stamps, which are numbered serially. The numbers of the stamps on every package weighing ten pounds or more must be entered separately in column 8, and when that is filled, in column 10, and the weights of the packages must be entered in columns 9 and 11, opposite the numbers of the stamps. The entry of weights should in every case include the entire weight represented by the stamps and coupons on the package. If two or more stamps are found on one package, the number of each stamp should be given, writing them one under the other, opposite the stamp-weight of the package. The weights in columns 9 and 11 should be added and the amount of each column carried up and entered on the line provided in column 7. The total of that column will thus show the weight of all the tobacco on which rebate is claimed.

If any numbers or weights are omitted without explanation, the claim will be held up for inquiry. The witnesses should see that these numbers and weights are entered correctly and the inventory made complete before the affidavits are sworn to, and great care should be taken that the exact numbers and weights are given, so that they may be found to correspond with the stubs at the Treasury Department, from which the stamps were cut.

5. Column No. 4 is for entry of packages of snuff of irregular weights not found in column 1. The weight of each such package should be given, and if more space is needed other sheets for the purpose may be used and securely attached to the inventory. Similar sheets may be used when required for entering numbers of tobacco stamps and the weights, if columns 8, 9, 10, etc., are not sufficient.

---

*Referring to the sheet on which Form 195 is printed.

6. Boxes of tobacco are frequently so stamped that they may be opened without breaking the stamp. The witnesses should examine such boxes for other evidence of opening, and where they are in doubt they should insist that the boxes be opened and the contents submitted to inspection.

7. In taking the inventory, the witnesses must each count all the packages and keep an accurate account of the same on sheets of paper, which they should sign and deliver to the claimant to be preserved for future use if required. The computations required to find the weights and numbers, and the amounts of rebate, must be carefully *made* and *proved* by each of the witnesses, so that they may be able to swear to the correctness of the same and of the total sum claimed. The accurate and complete filling up of the various entries will save delay in auditing the claims at the Treasury. To avoid erasures and alterations, the figures should be verified and made accurate before entering them on the inventory.

8. The witnesses should see that no additions to stock are made between the commencement and completion of the inventory, as it must embrace only the stock on hand *at the beginning* of January 1st.

9. The claim, when duly signed and sworn to by the claimant and the witnesses, should be forwarded to the proper deputy collector. Where practicable, the affidavits should be sworn to before an internal-revenue officer, or an officer having a seal. If done before an officer without a seal, the deputy collector will, if he knows the fact, certify that the officer had authority to administer oaths; if he can not do this, other proof of the fact must be supplied, in the usual manner of authenticating the official character and acts of officers who administer oaths. The officer who administers the oath should previously cause the affidavit to be read in hearing of the affiant, and if he objects to any portion of it, should modify it, so that the affiant can truthfully subscribe to it.

10. If the deputy collector or the collector has reason to question the reliability of either of the witnesses, or the validity of the claim, the case should be held back until such investigation can be made as will enable the officers to make a definite recommendation for or against the claim before forwarding it.

11. Goods in transit will not be included in the inventories taken on January 1st. When they arrive they must be inventoried separately, and additional claims made therefor, as fully explained in Regulations, Series 7, No. 14, Revised Supplement No. 1.

12. Where goods are held by a factor, commission merchant, or other agent, claims for rebate may be made by him for and in the name of each owner, and the forms can be changed so as to conform to the facts in such case.

13. No expenses incurred by claimants in taking inventories upon which to base claims for rebate will be borne by the United States.

14. Claims for rebate can not be transferred or assigned. Such assignments are prohibited by section 3477, United States Revised Statutes. All claims must be made by the owners of the goods, or in the owner's name by his factor, commission merchant, or other agent.

15. Claims of manufacturers will be paid in stamps when so *requested in the claim*, but not otherwise. Claims of dealers will not be paid in stamps.

[Indorsements.]

TREASURY DEPARTMENT,
OFFICE OF FIFTH AUDITOR,
Washington, D. C.

TREASURY DEPARTMENT,
OFFICE OF FIRST COMPTROLLER,
Washington, D. C.

(FORM NO. 195. REVISED.)

Claim No. in Index ——.

Claim for rebate of taxes paid on tobacco and snuff.

—— District, State of ———.

——— ———,
Claimant.

Post Office address, ——— ———.
Verified by ——— ———.
——— ———, Deputy Collector.

Amount of Claim, $——.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, D. C.

REFUNDING DIVISION.

The blank form (No. 195, Revised) to be used in making claims for rebate will be furnished to each collector in quantities sufficient to supply each manufacturer and dealer in his district with a copy.

Two Forms 195 Revised should be sent to persons who are both manufacturers and dealers, but in other cases generally only one form should be sent to each person.

Collectors will take care to have these blanks in the hands of all manufacturers of tobacco and all dealers in manufactured tobacco as early as possible so that they may familiarize themselves with the instructions printed thereon and make due preparation for taking inventories of the stamped stock on hand on January 1.

The work of taking inventories should be done promptly *on the first day of January.*

If in any case the inventory is not completed until after that day, the collector will report the reasons for failure to complete the same on said first of January and will make such recommendation as he may deem proper in the case.

When the inventory is completed, and the footings are proved and found correct, the claimant and the witnesses will make oath or affirmation to the same in the forms prescribed on the second page of the blank for the rebate claim, with such modifications as the facts may require.

The blank spaces in the affidavits should be carefully filled with the appropriate names, facts, amounts, etc., before the affidavits are signed and sworn to.

The claims, when the affidavits are all duly signed and sworn to by the claimants and the witnesses, should be forwarded to the deputy collector of internal revenue within and for the division in which the tobacco and snuff therein mentioned and described were inventoried, who, after making the inquiries and examinations necessary to satisfy himself as to the validity of the claims, and after verifying with great care the computation of the figures in the columns of weights and numbers and in the recapitulation, will make an affidavit on each claim, in the form prescribed, modifying the same, if necessary, to conform to the facts. He should also mark or stamp legibly on each claim the date of its receipt at his office. He will then from time to time arrange the claims in alphabetical order, and forward them in convenient packages to the collector.

No claim should be received for a sum less than five dollars.

An index book will be found in the office of each collector, which is alphabetically tagged, and the lines numbered consecutively under each letter of the alphabet. The indexes were prepared for recording claims presented for rebate under the act of March 3, 1883. They contain ample room for recording all claims arising under the act of December 15, 1890.

All claims for rebate will, as soon as received, be entered in the index in alphabetical order, beginning with the first vacant page under each letter and continuing regularly.

This index will constitute the permanent record of the claims. The columns for "Location of place of business" and "Amount claimed" should be properly filled when the names are entered.

The date of receipt at the collector's office should be stamped upon each claim, and the collector will see that each claim has its own number, as shown in the index, written in the space provided for it, on the upper left-hand corner on the back of the claim as folded.

This is required so that the claims may readily be entered against the same numbers in a similar index in this office.

The collector will cause each claim to be examined and the computations to be verified with great care; he will cause all errors and omissions in the preparation of the claim to be corrected or supplied, if practicable, and will then, after due investigation and scrutiny, sign the certificate prepared for the purpose and printed on the form for the rebate claim, with such modifications as he may find it necessary to make. (See instruction No. 10 on Form 195, Revised.)

The column in the collector's index for the "Amount allowed" will be left unfilled by him until he receives notice of the amount allowed by this Department, which amount will then be entered.

The collector will enter the claims, in alphabetical order, on the schedules (Form 196 Revised) supplied for that purpose, and forward them to this office in packages of convenient size.

On the schedule each claim must have the *same number* as in the index and on the back of the claim. *This is very important.*

The last three columns in the schedule will be left vacant by the collector, but all the other columns should be carefully filled.

The schedules will be numbered in one entire series *in this office*, and a space is provided on the back of the schedule for the entry of such serial numbers. The collectors will leave that space vacant.

On receipt of the claims by the Commissioner, they will be recorded and examined, and when found to be satisfactorily established will be forwarded directly to the Fifth Auditor of the Treasury, who will audit and send them to the First Comptroller. The Comptroller will, if they be found correct, certify them to the Secretary of the Treasury for the issue of warrants for payment. The drafts drawn upon such warrants will be sent by the Commissioner to the collectors, who will deliver them to the claimants in the usual manner of payment of refunding claims.

The rebate on tobacco and snuff, held by the manufacturer thereof, may be paid in stamps; but on such goods held by a dealer the rebate will be paid in money.

The collector should forward in a *separate* schedule the claims of such manufacturers as shall request payment in stamps, and should indorse

conspicuously on the back of such schedule, "This schedule to be paid in stamps."

In case of claims of manufacturers who thus request payment in stamps, a form known as Form 197, Revised, embracing certificates, receipt, &c., has been prepared and is as follows:

(FORM NO. 197, REVISED.)

UNITED STATES INTERNAL REVENUE.

Certificate of allowance of rebate claim, payable in stamps, under act of December, 15, 1890.

TREASURY DEPARTMENT,
Office of Internal Revenue Washington, D. C., ———, 1891.

I certify, that the claim No. ——, of ———, manufacturer of tobacco at ———, in the —— district of ———, for the rebate of taxes paid upon tobacco and snuff, under the act of December 15, 1890, for the sum of $——, has been examined in this office, and is hereby allowed for the sum of $——, to be paid in internal-revenue stamps for tobacco and snuff, through the collector of internal revenue for the —— district of ———, and the same is forwarded for the action of the Hon. Fifth Auditor of the Treasury.

——— ———,
Commissioner.

TREASURY DEPARTMENT,
Fifth Auditor's Office, Washington, ———, 1891.

The foregoing claim having been examined and adjusted, I hereby certify the same for $——, to be paid in internal-revenue stamps for tobacco and snuff and transmit the same to the First Comptroller of the Treasury for his decision thereon.

——— ———,
Auditor.

TREASURY DEPARTMENT,
Office of the First Comptroller, Washington, ———, 1891.

The foregoing claim has been examined in this office, and I certify and admit that the amount of $—— is due upon the same, to be paid in internal-revenue stamps for tobacco and snuff, through the collector of internal revenue for the —— district of ———, and the same is hereby returned to the Commissioner of Internal Revenue for payment.

——— ———,
Comptroller.

TREASURY DEPARTMENT,
Office of Internal Revenue, Washington, ———, 1891.

The collector of internal revenue for the —— district of ——— is hereby authorized and directed to pay to ——— the sum of $——, the amount of the foregoing allowance, in internal-revenue stamps for tobacco or snuff, and take receipt therefor hereon, and to take credit for the same, returning this certificate and subjoined receipt as a voucher in his account and retaining a duplicate receipt in his office.

——— ———,
Commissioner.

UNITED STATES INTERNAL REVENUE,
Collector's Office, —— *Dist. of* ———, ———, 1891.

Received of ———, collector of internal revenue for the —— district of ———, the sum of $——, in internal-revenue stamps for tobacco and snuff, in accordance with the schedule hereto attached and made a part of this receipt, in full of the within and foregoing allowance on —— claim for rebate.

——— ———.

This form will pass through the various offices for the signatures of the Commissioner, Auditor, and Comptroller, respectively, and will then be sent to the collector, who will issue the stamps, and require the claimant to sign the receipt on the form, and a separate receipt, in the following form, to be retained by the collector:

UNITED STATES INTERNAL REVENUE,
Collector's Office, —— *Dist. of* ———, ———, 1891.

Received of ———, collector of internal revenue for the —— district of ———, the sum of $——, in internal-revenue stamps for tobacco and snuff, in accordance with the schedule hereto attached and made a part of this receipt, in full of the allowance on —— claim for rebate.

——— ———.

A schedule of the stamps issued to the claimant in payment of his claim should be attached to Form 197, revised, and a duplicate thereof should be attached to the receipt retained by the collector. The blank receipts will be furnished by this office. The collector will return the Form 197 to this office as a voucher.

Tobacco and snuff will be regarded as held by a manufacturer when they are goods of his own production in his possession, either in his factory, or in a warehouse, or other place where they are held by him *in storage only*, as provided in section 3235, United States Revised Statutes. On goods so held the rebate may be paid in stamps, and payment will not be made in stamps on any other goods.

As far as practicable, the inventories of stock should be made in presence of an internal-revenue officer, agent, clerk, or other employé, and collectors should make provision for this, especially in cases where there may be reason to believe that the presence of an officer will conduce to the correctness of the inventories.

It is desired that every person employed in the internal-revenue service in each district shall, as far as practicable, spend the first day of January in visiting the various places where these inventories are being made, for the purpose of giving such advice as may be needed.

Goods in transit prior to the first day of January may be separately inventoried on arrival, but this also must be done in the presence and with the coöperation of two witnesses, as required in other cases, and such witnesses will make oath in the form prescribed on the blank for the rebate claim, modified to conform to the facts of the case.

The claimant in such case may make the affidavit prescribed on Form 195, for claimants of rebate, modified as indicated below, viz:

Affidavit of claimant.

STATE OF ———,
COUNTY OF ———, } *ss:*

——— ———, of the ——— of ———, and State and county aforesaid, being duly sworn according to law, deposes and says that [1] ——— ——— was, on the first day of January, 1891, engaged in business as a [2] ———, at No. ——— ——— street, in said ———, and that on the first day of January, 1891, at the beginning of the day –he–[3] owned, held, and had in transit to [4] ——— on the [5] ——— from the [6] ——— of [7] ——— where he purchased the same, all of the tobacco and snuff set forth and described in the foregoing inventory, all of which were in the original and unbroken packages as they were put up by the manufacturers, and were marked, branded, and stamped in accordance with law and the regulations of the Commissioner of Internal Revenue, and the stamps thereon were duly cancelled. That said goods were received by [8] ——— on the ——— day of ———, 1891, at his [9] ——— at No. ——— ———, in the ——— of ———, county and State aforesaid; that the quantity and description of the goods on hand, as per the foregoing inventory, were at the last-named place ascertained on ———, 1891, in the presence of ——— ——— and ——— ———, and that each and all of the packages enumerated and embraced in the said inventory were original and unbroken factory packages, in the exact condition as to their contents as when they were put up by the manufacturer, nothing having been added thereto or taken therefrom since they were packed and stamped at the place of manufacture; and that none of said goods had been previously embraced in any claim for rebate of tax made by him or any other person.

And deponent now claims on behalf of himself, [10] ———, a rebate of tax paid on the tobacco and snuff specified in said inventory to the amount of [11] ——— and $\frac{}{100}$ dollars, ($——,) under the provisions of the act of December 15, 1890.

——— ———.

Subscribed and sworn to before me this ——— day of ———, A. D. 1891.

——— ———,
———.

1. "He" or "the firm of———, of which he is a member," as the case may be. 2. "Dealer in manufactured tobacco," or "manufacturer of tobacco," as the case may be. 3. "He" or "they." 4. "Him" or "them," as the case may be. 5. Here insert name of the vessel, railroad line, or other conveyance. 6. "City" or "town." 7. Name of city or town. 8. "Him" or "them," as the case may be. 9. "Store," "warehouse," or "factory," as the case may be. 10. If not claimed for himself, insert here name of the firm or other person on whose behalf claim is made. 11. The amount must here be written out in words.

In all such cases the bills of lading, if there be any, must be exhibited to the witnesses, so that they may know when the goods were shipped and when received, and that the inventory embraces no other goods than those thus shipped and received.

In every such case the deputy collector should compare the bills of lading, if there be any, with the inventory, and should, if possible, be present at the taking of the inventory, as he doubtless could be in most of such cases. If the deputy is thus present, he will add a statement of that fact to his affidavit on the rebate claim.

An affidavit of the consignor in such cases will be required to be

affixed to the claim describing the goods, stating the fact of sale, and giving the date and place of shipment and route of transportation.

Blanks for this affidavit will be furnished to the collector, and may be had by applying to him.

The form of the affidavit may be as follows:

Affidavit of Consignor.

STATE OF ——,
COUNTY OF ——, } *ss:*

——— ———, of the ——— of ———, county and State aforesaid, being duly sworn according to law, deposes and says that [1] ——— ——— was engaged in business as [2] ——— ——— at No. ——— ——— street, in said ———, on the ——— day of ———, 1890. That on said day he sold to ——— ———, of the ——— of ———, county of ——— and State of ———, the tobacco and snuff herein specified as follows:

SNUFF—8 cents per pound.				TOBACCO—8 cents per pound.						
1.	2.	3.	4.	5.	6.	7.	Serial numbers of stamps and weights—10 pounds and upwards.			
							8.	9.	10.	11.
Weight of package.	Number of stamped packages.	Total weight in lbs. and fractions of lbs.	[3] Weights not found in column 1.	Weight of package.	Number of stamped packages.	Total weight in lbs. and fractions of lbs.	Serial Nos. of stamps.	Weight.	Serial Nos. of stamps.	Weight.
½ oz.....				1 oz...			(†)			
1 oz.....				2 oz...						
2 oz.....				3 oz...						
3 oz.....				4 oz...						
4 oz.....				8 oz...						
6 oz.....				16 oz...						
8 oz.....				½ lb...						
16 oz.....				1 lb...						
½ lb.....				2 lb...						
1 lb.....				3 lb...						
2 lb.....				4 lb...						
3 lb.....				5 lb...						
4 lb.....										
5 lb.....										
10 lb.....				Total of col. 9..						
20 lb.....				Total of col. 11.						
			(*)							
Total weight.....				Total weight....						

RECAPITULATION.

Description.	Quantity.
Snuff.....	
Tobacco.....	
Total.....	

Total ... Total ...
(Carried up to column 7.)

1. "He" or "the firm of ———, of which he is a member." 2. State the business. 3. In column **4** enter the separate weight of each package of snuff which is not of any exact size described in column **1**. *Here enter the total of column **3** and add it with column **4**. † If impossible to give the serial numbers, so state.

That on the —— day of ——, 1890, he shipped all of the goods above specified, by [1] ——, duly consigned to the aforesaid [2] —— ——, now claimant for rebate of tax thereon.

That annexed hereto are the bills of lading of said goods received by deponent [3] —— at the time of such shipment; that from and after the date of the sale of said goods to said claimant, he, the said claimant, thereby became the owner thereof; that deponent [3] —— by such sale parted with all right, title, and interest in said goods to said claimant, and that deponent [3] —— has not included said goods, or any part thereof, in any inventory or claim for rebate of any part of the tax thereon made by him, [3] —— nor are such goods, or any part thereof, included in any other claim for rebate, to the knowledge or belief of this deponent.

Deponent further says that at the time he so sold, and at the time he shipped, the said goods to said claimant, they were, each and all of them, in the original unbroken factory packages in which they were originally packed, and contained the same tobacco or snuff, and all thereof originally packed therein, and none other.

—— ——.

Subscribed and sworn to before me this —— day of ——, 1891.

——— ———,

———.

1. Here state name of vessel, railroad line, or other conveyance. 2. Name of claimant. 3. Or "his said firm."

Parties who ship tobacco, &c., before January 1, 1891, should, if the goods are not reasonably sure to arrive at their destination before that day, keep memoranda of the numbers and weights of packages, so that they may be able to make affidavit to all the facts required by the form prescribed.

Every claim should have the affidavit and certificate of the deputy collector of the division and collector of the district in which the goods are inventoried, whether the claimant himself is in that district or elsewhere.

The term "factory package," as used in the act of December 15, 1890, is understood to mean any package, from a half ounce upwards, which is required by law to have an internal-revenue tax-paid stamp affixed to it.

Where such packages still remain in the boxes, the boxes must nevertheless be subject to be opened, so that the witnesses may see that the packages bear the proper tax-paid stamps. Where there are a number of such boxes, the witnesses should select by chance, without suggestion from any one, as many of such boxes for actual inspection of the packages contained therein as may be necessary to satisfy themselves of the fact whether the goods, not only in the boxes opened, but also those in the boxes not opened, are all duly stamped with tax-paid

stamps; and the boxes or cases so selected must be opened and submitted for inspection to the witnesses. In such cases the affidavits of the witnesses on Form 195, Revised, may be modified to conform to the facts.

Where any of the figures in the serial numbers of coupon stamps are illegible, the remaining figures should be given, and a dash (thus —) should be made in place of the missing figures.

Tobacco on which a tax of more than eight cents per pound has been paid may be included in the inventory with other tobacco, but the rate of rebate thereon will be the same as on other tax-paid tobacco, viz, two cents per pound.

Packages of tobacco less than 10 pounds in weight, and not of any exact weight found in column 5, may be entered in columns 8, 9, and 10, when those columns are not required for serial numbers, etc. Otherwise, when those columns are filled, they may be entered on separate sheets of paper securely attached to the claim.

If a manufacturer, who is also a dealer, desires to obtain a rebate on goods held by him in his factory, and also on goods held for sale in his store, he should make separate claims therefor.

Stamps at the reduced rates of tax imposed on tobacco or snuff on and after January 1, 1891, will not be sold to manufacturers before that day arrives.

Imported cigars in unbroken stamped packages may be included in claims for rebate, but the rebate thereon will not be paid in stamps.

Peddlers of tobacco are regarded as "dealers" within the meaning of the act of December 15, 1890, and should be supplied with blanks and allowed to present claims for rebate on the stock held and owned by them January 1, 1891, and inventoried in presence of witnesses, as prescribed by the regulations.

Dealers and manufacturers may prepare inventories at any time before January 1, but the inventories must be verified and rectified by the witnesses by actual count on said 1st day of January.

The serial numbers of snuff stamps need not be given in any case.

If a dealer is also a manufacturer and holds stamped goods in each capacity, he should present two claims, one embracing the goods held for sale, and the other the goods held in the factory or elsewhere for storage only. If either of the two claims amounts to less than five dollars it will not be entertained and the collector should not receive it.

Where packages of tobacco bear small stamps, viz, ½, 1, 2, 3, 4, or 5 pound stamps in addition to the stamps having serial numbers, the full taxed weight of each package should be entered in the inventory opposite the serial number of the stamp, and a footnote should be added showing the amount of the small stamps. Where small stamps are used on packages of ten pounds or more instead of numbered stamps, a footnote should explain the fact, and the full weight should be entered separately as in case of stamps with serial numbers.

Deputy collectors will be expected to make oath before the collector or other deputy collectors when practicable. The collectors will exercise proper care so that the deputies will not incur more expenses than are absolutely necessary to a proper performance of this duty. Deputy collectors are not authorized to charge claimants for administering oaths on Form 195, Revised.

JOHN W. MASON,
Commissioner.

Series 7, No. 15, Revised.

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

ANALYSIS OF FOODS AND DRUGS

IN THE DISTRICT OF COLUMBIA,

UNDER CONTROL OF

THE COMMISSIONER OF INTERNAL REVENUE.

AUGUST 10, 1893.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
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TREASURY DEPARTMENT.
Document No. 1617.
Internal Revenue.

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TREASURY DEPARTMENT,

OFFICE OF COMMISSIONER OF INTERNAL REVENUE,

Washington, August 10, 1893.

The following Act and the Regulations prescribed by the Secretary of the Treasury are herewith published as Series 7, No. 15, Revised, of Instructions to Internal-Revenue Officers.

JOS. S. MILLER,

Commissioner.

ANALYSIS OF FOOD AND DRUGS IN THE DISTRICT OF COLUMBIA.

[Chapter 1090, Fiftieth Congress, Session I, 1888, p. 549.]

AN ACT TO PREVENT THE MANUFACTURE OR SALE OF ADULTERATED FOOD OR DRUGS IN THE DISTRICT OF COLUMBIA.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no person within the District of Columbia shall mix, color, stain, or powder, or order or permit any other person to mix, color, stain, or powder any article of food or drugs with any ingredient or material so as to render the article injurious to health, or manufacture any article of food which shall be composed in whole or in part of diseased, decomposed, offensive, or unclean animal or vegetable substance with the intent that the same may be sold in the said District, and no person shall sell in the District of Columbia any such article so mixed, colored, stained, powdered, or manufactured. Any person violating this section shall be guilty of a misdemeanor, and for each offense be fined not exceeding two hundred dollars for the first offense, and for each subsequent offense not exceeding three hundred dollars, or imprisonment not exceeding one year, or both, in the discretion of the court.

SEC. 2. That no person shall, within the District of Columbia, except for the purpose of compounding as hereinafter described, mix, color, stain, or powder, or order or permit any other person to mix, color, stain, or powder, any drug with any ingredient or material so as to affect injuriously the quality or potency of such drug, with intent that the same may be sold in the said District of Columbia, and no person shall sell any such drug so mixed, colored, stained, or powdered under the same penalty in each case respectively as in the preceding section for a first and subsequent offense.

SEC. 3. That no person shall be liable to be convicted under either of the two last foregoing sections of this act in respect of the sale of any article of food, or of any drug, if he shows to the satisfaction of the court before whom he is charged that he did not know of the article of food or drug sold by him being so mixed, colored, stained, or powdered, as in either of those sections mentioned, and that he could not, with reasonable diligence, have obtained that knowledge.

SEC. 4. That no person shall sell in the District of Columbia any article of food or drug which is not of the nature, substance, and quality of the article demanded by any purchaser, and any person violating this section shall be guilty of a misdemeanor, and for the first offense be fined not exceeding fifty dollars, and for each subsequent offense not exceeding one hundred dollars, or imprisonment not exceeding six months, or

both, in the discretion of the court: *Provided*, That an offense shall not be deemed to be committed under this section in the following cases, that is to say:

First. Where any matter or ingredient not injurious to health has been added to the food or drug because the same is required for the production or preparation thereof as an article of commerce, in a state fit for carriage or consumption, and not fraudulently to increase the bulk, weight, or measure of the food or drug, or conceal the inferior quality thereof.

Second. Where the drug or food is a proprietary medicine.

Third. Where the food or drug is compounded as authorized by this act.

Fourth. Where the food or drug is unavoidably mixed with some extraneous matter in the process of collection or preparation.

SEC. 5. That no person shall sell in the District of Columbia any compound article of food or compounded drug which is not composed of ingredients in accordance with the demand of the purchaser. Any person violating this section shall be guilty of a misdemeanor and fined not exceeding fifty dollars: *Provided*, That no person shall be guilty of any such offense as aforesaid in respect of the sale of an article of food or a drug mixed with any matter or ingredient not injurious to health, and not intended, fraudulently, to increase its bulk, weight, or measure, or conceal its inferior quality, if at the time of delivering such article or drug he shall supply to the person receiving the same a notice, by a label, distinctly and legibly written or printed on or with the article or drug, to the effect that the same is mixed.

SEC. 6. That no person shall, in the District of Columbia, with the intent that the same may be sold in its altered state without notice, subtract from any article of food any part of it so as to affect injuriously its quality, substance, or nature, and no person shall sell any article so altered without making disclosure of the alteration, and any person violating the provisions of this section shall be guilty of a misdemeanor and fined not exceeding one hundred dollars.

SEC. 7. That in any prosecution under this act, where the fact of an article having been sold in a mixed state has been proved, if the defendant shall desire to rely upon proviso contained in this act, it shall be incumbent upon him to prove the same.

SEC. 8. That if the defendant in any prosecution under this act prove to the satisfaction of the court that he had purchased the article in question as the same in nature, substance, and quality as that demanded of him by the purchaser, and with a written warranty to that effect; that he had no reason to believe at the time when he sold it that the article was otherwise; and that he sold it in the same state as when he purchased it, he shall be discharged from the prosecution.

SEC. 9. That any person who shall forge, or shall alter knowing it to be forged, any certificate or any writing purporting to contain a war-

ranty, as provided in section eight of this act, shall be guilty of a misdemeanor and be punishable, on conviction, by imprisonment for a term not exceeding one year with hard labor.

SEC. 10. That every person who shall willfully apply to any article of food or a drug a certificate or warranty given in relation to any other article or drug, or who shall give a false warranty in writing to any purchaser in respect of an article of food or a drug sold by him as principal or agent, or who shall willfully give a label with any article sold by him which shall falsely describe the article sold shall be guilty of a misdemeanor, and on conviction be fined not to exceed one hundred dollars.

SEC. 11. That the analysis provided for in this act, shall be under the control of the Commissioner of Internal Revenue under such rules and regulations as may be prescribed by the Secretary of the Treasury.

SEC. 12. That any purchaser of an article of food or of a drug in the said District shall be entitled to have such article analyzed by such analyst, and to receive from him a certificate of the result of his analysis, and any health officer, inspector of nuisances, or any food inspector may procure any sample of food or drug, and if he suspects the same to have been sold to him contrary to any provision of this act he shall submit the same to the Commissioner of Internal Revenue to be analyzed who shall with all convenient speed cause such analysis to be made and give a certificate to such officer, wherein he shall specify the result of the analysis.

SEC. 13. That if any officer mentioned in section twelve of this act shall apply to purchase any article of food or any drug exposed to sale or on sale by retail on any premises or in any shop or store, and shall tender the price for the quantity which he shall require for the purpose of analysis, not being more than shall be reasonably requisite, and the person exposing the same for sale shall refuse to sell the same to such officer, such person shall be guilty of a misdemeanor and fined for each offense not exceeding fifty dollars.

SEC. 14. That the term "food," as used in this act, shall include every article used for food or drink by man other than drugs or water. The term "drug," as used in this act, shall include all medicines for internal or external use.

SEC. 15. That nothing in this act shall be construed as modifying or repealing the provisions of chapter eight hundred and forty of the acts of the first session of the Forty-ninth Congress, entitled "An act defining butter; also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August sixth,* eighteen hundred and eighty-six.

SEC. 16. That the Commissioner of Internal Revenue may, from time to time declare certain articles or preparations to be exempt from the

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*So in original. Act was approved August *second*, 1886.

provisions of this act ; and it shall be the duty of the Commissioners of the District to prepare and publish from time to time a list of the articles, mixtures, or compounds declared to be exempt from the provisions of this act, in accordance with this section.

Approved, October 12, 1888.

(SERIES 7, NO. 15, REVISED.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

ANALYSIS OF FOODS AND DRUGS IN THE DISTRICT OF COLUMBIA.

TREASURY DEPARTMENT,
Washington, August 10, 1893.

Section 11 of an act entitled "An act to prevent the manufacture or sale of adulterated food or drugs in the District of Columbia," approved October 12, 1888, requires that the analysis provided for in the act shall be under the control of the Commissioner of Internal Revenue, under such rules and regulations as may be prescribed by the Secretary of the Treasury.

Section 12 provides that any health officer, inspector of nuisances, or any food inspector may procure any sample of food or drug, and if he suspects the same to have been sold to him contrary to any provision of said act, he shall submit the same to the Commissioner of Internal Revenue to be analyzed, who shall with all convenient speed cause such analysis to be made and give a certificate to such officer, wherein he shall specify the result of the analysis. Section 12 also provides that any purchaser of an article of food or of a drug in the said District shall be entitled to have such article analyzed by "such analyst" and to receive from him a certificate of the result of his analysis.

The chemist of the health department of the District of Columbia, or such person as shall be lawfully acting in that capacity, is hereby designated as the analyst contemplated by section 12 of this act, whose duties, as such analyst, shall be performed under control of the said Commissioner in the following manner, viz:

All articles of food or drugs to be analyzed under the provisions of this act shall be presented to the chemist of the health department of the District of Columbia, accompanied by Form No. 232, in triplicate, with parts 1 and 2 properly filled out and signed, as hereinafter prescribed. He shall analyze all samples so presented, and forward to the Commissioner of Internal Revenue the results of his analyses upon part 3 of the accompanying Form No. 232, making such alterations as may be necessary in the heading thereof.

He shall also forward, if so requested, the residues of the samples examined by him, or such portion thereof as will enable the Commissioner of Internal Revenue to have the analyses duplicated, if he should deem it necessary. The reports and samples shall be examined by the chemist of the Internal Revenue Bureau, and the results verified by duplicate analysis, if the Commissioner of Internal Revenue should require such verification. The chemist of the Internal Revenue Bureau shall thereupon report to the Commissioner of Internal Revenue the result of his findings, on part 3 of Form No. 232, and the Commissioner shall append his certificate on part 4 of Form No. 232, stating that the article does, or does not, conform to the standard required by the regulations.

It is required that the articles submitted for analysis shall be purchased of some one in the District of Columbia. The Commissioner of Internal Revenue is not required to cause the analysis of a substance purchased outside of the District of Columbia, although the purchaser resides in the District. The Commissioner may, however, if in his opinion the public interests so require, analyze any article of food or drugs purchased outside of the District of Columbia by any resident of the District, provided that in case, upon analysis, the article is found to be adulterated, he shall request the health officer of the District to purchase a sample of the same in the open markets of said District, and the Commissioner will cause the same to be analyzed. If this second sample is also found to be adulterated the Commissioner shall furnish a certificate of the result of such analysis to the health officer.

The analysis shall be made under the following rules and regulations:

(1) Each sample of food submitted, if a solid, shall weigh not less than one pound, and if a liquid, shall measure not less than one pint. The same limitations will also apply to drugs, provided that in the case of light and bulky articles, not liquid, one-half pound, and possibly less, may suffice. The intending purchaser should satisfy himself, before purchasing, as to the actual quantity needed for a thorough analysis, and should forward double the quantity so needed. The surplus not destroyed in the process of analysis will be preserved by the analyst for a period of thirty days, subject to the order of any court which may have jurisdiction of the case, provided the sample is not of a perishable nature and the preservation is not otherwise impracticable.

(2) The person submitting the sample shall state whether he is a health officer, an inspector of nuisances, a food inspector, or merely a purchaser of the sample submitted.

The special attention of purchasers is called to the proviso to section five in regard to notice by label.

(3) For the purpose of identification of samples, each officer or other purchaser will affix his name and a number to each sample of food or drugs obtained by him, beginning with No. 1 and continuing the numbering consecutively. Under no circumstances shall a purchaser or an officer named in section twelve convey any information to the Commis-

sioner of Internal Revenue or the analyst designated by him as to the source from which any sample was obtained, unless the article is subject to tax under internal-revenue laws. But any purchaser or officer named in section twelve, in order to be entitled to have the sample purchased by him analyzed, must submit to the Commissioner of Internal Revenue a certificate from the attorney of the United States for the District of Columbia stating that the applicant has revealed to such attorney the name, occupation, and address of the vendor, and furnishing other information as set forth in part 1, Form 232, hereinafter prescribed.

(4) It shall be the duty of the analyst, under the direction of the Commissioner of Internal Revenue, to determine, as nearly as possible, by proper examination and analysis, whether any offense has been committed as to the samples of food or drugs submitted to him manufactured for sale, intended for sale, or sold in the District of Columbia within the meaning of the act of October 12, 1888, such offenses being, except under certain conditions specified in the act, defined as follows: To mix, color, stain, or powder the article of food or drugs with any ingredient or material so as to render it injurious to health. To manufacture the article of food which shall be composed in whole or in part of diseased, decomposed, offensive, or unclean animal or vegetable substance. To mix, color, stain, or powder the drug with any ingredient or material affecting injuriously the quality or potency of such drug. To sell the article of food or drug which is not of the nature, substance, and quality of the article demanded by the purchaser or which is not composed of ingredients in accordance with the demands of the purchaser. To sell the article of food from which a part is subtracted so as to affect injuriously its quality, substance, or nature.

It shall also be the duty of the analyst to so determine, where such determination is possible from an examination and analysis of the sample, that a substance or ingredient not injurious to health has been added to the food or drug because the same is required for the production or preparation thereof as an article of commerce, in a state fit for carriage or consumption, and not fraudulently to increase the bulk, weight, or measure of the food or drug, or conceal the inferior quality thereof, or where the food or drug is unavoidably mixed with some extraneous matter in the process of collection or preparation.

The Commissioner of Internal Revenue and the analyst acting under his control are advised that the word "*quality*" does not refer to the strength of the article, but rather to the purity of the article; and although it may have deteriorated by keeping in point of strength, but is still pure, it does not appear to fall under section four unless the commodity is governed by somerecognized standard.

If an article sold is quite different from that which was asked for by the purchaser, it is an offense under this section, as no one shall sell an article not of the nature of that demanded. (Knight *v.* Bowers, 142 B.

D., 845; 49 J. P., 614.) If this were not so many offenders would escape; as, for instance, such as those who sell lard for butter or chicory for coffee.

(5) In determining whether the sample examined indicates that an offense has been committed, the analyst and the Commissioner of Internal Revenue will be governed by certain standards. An offense shall be deemed to be committed within the meaning of this act as to the manufacture or sale of an article—

(*a*) In the case of

DRUGS.

(1) If, when sold under or by a name recognized in the United States Pharmacopœia, it differs from the standard of strength, quality, or purity laid down therein; (2) if, when sold under or by a name not recognized in the United States Pharmacopœia, but which is found in some other pharmacopœia or other standard work on *materia medica*, it differs materially from the standard of strength, quality, or purity laid down in such work; (3) if its strength or purity falls below the professed standard under which it is sold.

(*b*) In the case of

FOODS.

When it does not conform to the following standard:

BUTTER AND CHEESE.

Butter and cheese shall be made exclusively from milk or cream, or both, and with or without common salt. For butters, the percentage of water shall not be more than 12, and salt not more than 5, and fat not less than 83. The minimum specific gravity, "actual density," shall be 0.910 at 40° C. (104° F.) for the filtered fat, and the results obtained by Reichert's method shall not be less than 12.0 c. c. for 2.5 grams of fat.

COCOA AND CHOCOLATE.

Cocoa is prepared from the roasted seed of the tree *Theobroma cacao*, either partly ground, "cocoa-nibs," or in powder. It shall contain not less than 45 per cent of cocoa butter or fat; nitrogen, not less than 2 per cent; ash, not less than 3 per cent; theobromine, not less than 1.5 per cent, and starch, not more than 15 per cent.

Chocolate being a mixture consisting of cocoa paste and sugar, flavored with vanilla, cinnamon, cloves, etc., and mixed with flour or starch, must be sold as such and properly labeled.

COFFEE.

Coffee shall be composed entirely of the seed of the *Caffea Arabica*, and not adulterated with chicory, caramel, other grains as corn, wheat, rye; roots and seeds as dandelion, mangel-wurzel, turnips, beans,

pease, etc. Gummy matter not less than 21 per cent; fat not less than 14.5 per cent: caffeine not less than 0.6 per cent; ash not less than 4 per cent, of which 75 per cent at least shall be soluble.

HONEY.

Honey shall consist of the saccharine substance collected by the bee (*Apis Mellifica*) from the nectaries of flowers, and deposited by them in the cells of the comb. It shall not contain any added starch-sugar (glucose), cane-sugar, or inverted sugar.

LARD.

Lard shall be made exclusively from the rendered fat of the hog. It shall not contain any cotton-seed oil, beef stearin, or other foreign fats, and the percentage of moisture shall not exceed 0.5. Its specific gravity, "actual density," at 40° C. (104° F.) shall not exceed 0.904.

MALT LIQUORS.

Malt liquors shall consist of the fermented alcoholic infusion of malted barley or malt substitutes with water, flavored with hops or other wholsome bitters. They shall not contain antiseptics, alkaline bicarbonates, salt, except that derived from the water used in brewing, or unwholesome bitters.

"As a rule Bavarian draft and lager beers contain from 1.5 to 2 parts of extract for each part of alcohol. If glucose or other non-nitrogenous bodies have been used in appreciable quantity as substitutes for malt, the percentage of nitrogen in the extract will fall below 0.65. The acidity of a beer should not be greater than 3 c. c. of normal alkali solution to 100 c. c. beer. Acidity of less than 1.2 c. c. of normal alkali solution to 100 c. c. beer indicates previous neutralization. If the acids are composed principally of lactic acid, a larger quantity may be present. The ash of normal beer should not exceed 0.3 grams to 100 grams beer. The amount of glycerine in pure beer is not greater than 0.25 grams to 100 grams beer."—(Methods of judging the purity of beer adopted by the Union of Bavarian Chemists.)

MILK.

Whole (pure) milk, the minimum specific gravity, "actual density," shall be 1.030 at 60° F., and the milk shall contain not less than 13.0 parts in 100 of solids, as follows:

Fat	3.5
Solids, not fat	9.5
Water, not more than	87.0

The removal of cream, the addition of water, foreign fats, or coloring matter will be considered adulterations.

MUSTARD.

Mustard shall be made exclusively from the seeds of *Sinapis nigra* and *Sinapis alba*. It shall not contain any wheaten flour or other foreign meals, tumeric or other coloring matter.

Moisture not more than 6 per cent; ash not more than 5 per cent; fixed oils not less than 33 per cent.

OLIVE OIL.

Olive oil shall be made exclusively from the olive berry, *Olea Europea.* It shall not contain any cotton seed, sesame, or other foreign vegetable oil. Its specific gravity at 15.5° C. (60°F.), "actual density," shall not be more than 0.917 nor less than 0.914.

OYSTERS.

The addition of water to opened oysters sold by measure is considered an adulteration.

PEPPER.

Black pepper shall be the dried unripe berry of *Piper nigrum.* White pepper being the same fruit deprived of its outer skin by maceration in water and friction. It shall not contain foreign meals, capsicum, or other dilutents or substitutes.

Cayenne shall consist of the ground berry and pods of capsicum annuum. It shall not contain foreign meals or artificial coloring matters.

TEA.

Tea shall be composed entirely of the leaf of the tea-plant not adulterated with spurious leaves or with exhausted leaves, nor contain so great an admixture of chemicals or other deleterious substances as to make it unfit for use. Leaves to which the term "exhausted" is applied means and includes any tea which has been deprived of its proper quality, strength, or virtue by steeping, infusion, decoction, or other means. (See act of Congress "To prevent the importation of adulterated and spurious teas," approved March 2, 1883.

Total ash shall not be less than 4.5 per cent nor more than 7 per cent, 50 per cent of which shall be soluble in water. Ash insoluble in water not more than 3 per cent. Extract not less than 30 per cent. Insoluble leaf not more than 60 per cent.

VINEGAR.

If cider vinegar, it shall be the legitimate product of pure apple juice, known as apple cider or vinegar, made exclusively of apple cider or vinegar, and into which no foreign substances, ingredients, drugs, or acids have been introduced, and shall contain not less than 1.5 per cent of total solids.

All vinegar shall have an acidity equivalent to the presence of not less than 5 per cent by weight of absolute acetic acid.

WHEATEN FLOUR AND BREAD.

Flour shall be composed entirely of ground wheat, free from bran, perfectly white or having a faint tinge of yellow. Must not show red, gray, or black specs, nor possess a disagreeable odor. Must contain no foreign meals, as rye, corn, barley, pease, beans, rice, linseed, buckwheat, and potato-starch; no alum to disguise the presence of damaged flour in mixtures or to improve the appearance of an inferior grade, etc.

Ash not more than 0.6 per cent. Albuminoids not less than 10.5 per cent. Moisture not more than 12 per cent.

Bread: Moisture, not more than 31 per cent. Ash, not more than 1.5 per cent. Albuminoids, not less than 6.25 per cent.

The addition of alum, sulphate of copper, borax, sulphate of zinc, and foreign meals will be considered adulteration.

WINE.

Wine is the liquid product which results from the alcoholic fermentation of the juice of fresh grapes with such additions only as are essential to the stability or keeping of the liquid.

The addition of water, distilled spirits, glycerine, sugar, coloring matter, and antiseptics shall be considered adulterations.

Imitations and artificial wines and demiwines as hereinbefore defined shall also be considered as adulterations.

"Artificial wines are those made without grape juice, with a mixture to imitate wine, such as water, brandy, glycerine, sugar, tartaric acid, œnanthic ether, etc.

"Demiwines are those resulting from the addition to the must or natural wine of water and other substances intended to produce the taste of wine in such diluted and attenuated liquids (sugar, glycerine, brandy), or made in the same manner with grape marc already used in the preparation of must." (Austrian Decree of September 16, 1880.)

"Wines which are made wholly from pure grape juice very seldom contain a less quantity of extract than 1.5 grams in 100 c. c. wine. If wines poorer in extract occur they should be condemned, unless it can be proven that natural wines of the same district and vintage occur with a similar low content of extract.

"After subtracting the 'fixed acids' the remaining extract (*extractrest*) in pure wines, according to previous experience, amounts to at least 1.1 grams in 100 c. c., and, after subtracting the 'free acids,' at least 1 gram. Wines which show less *extractrest* are to be condemned in case it can not be shown that natural wines of the same district and vintage contain as small an *extractrest*.

"A wine which contains appreciably more ash than 10 per cent of its extract content must contain, correspondingly, more extract than would otherwise be accepted as a minimum limit. In natural wines the relation of ash to extract approaches very closely 1 to 10 parts by weight. Still a considerable deviation from this relation does not entirely justify the conclusion that the wine is adulterated.

"The amount of free tartaric acid in pure wines, according to previous experience, does not exceed one-sixth of the entire 'fixed acids.'

"The relation between alcohol and glycerine can vary in pure wines between 100 parts by weight of alcohol to 7 parts by weight of glycerine; and 100 parts by weight of alcohol to 14 parts by weight of glycerine. In case of wines showing a different glycerine relation, an addition of alcohol or glycerine can be inferred.

"As sometimes during its handling in cellars small quantities of alcohol (at most 1 per cent by volume) may find their way into wine, this fact must be borne in mind in judging of its purity.

"These proportions are not always applicable to sweet wines.

"Wines that contain less than 0.14 gram of mineral matter in 100 c. c. are to be condemned, if it can not be shown that natural wines of the same kind and the same vintage, which have been subjected to like treatment, have an equally small content of mineral matter.

"Wines which contain more than 0.5 gram of salt in 100 c. c. are to be condemned.

"Wines that contain more than 0.092 gram sulphuric acid (SO_3) corresponding to 0.20 gram potassic sulphate (K_2SO_4) in 100 c. c., are to be designated as wines containing too much sulphuric acid, either from the use of gypsum or in some other way." (Rules for judging of the purity of wine adopted by the Berlin Commission in 1884, and published August 12, 1884, by the Prussian Minister of Commerce and Trade.)

"Addition of alcohol is to be assumed if the ratio of alcohol to glycerine is greater than 10 to 1 by weight.

"Addition of water and alcohol is recognized by the diminution in the quantity of inorganic matter, especially magnesia, phosphoric acid, and usually potash. Addition of water alone is recognized in the same way.

"Scheelization, *i. e.*, addition of glycerine, is assumed if the ratio of glycerine to alcohol exceeds 1 to 6 by weight.

"The presence of cane sugar is ascertained by a determination of sugar (by Soxhlet or Knapp's method) before and after inversion." (Methods of judging purity of wine adopted by the Union of Bavarian Chemists.)

(*c*) Where standards of strength, quality, or purity are not fixed by these regulations, they will be fixed at the time the analysis is made.

(6) The following substances are known to be injurious to health when present in foods: Salts of antimony, arsenic, barium, except the sulphate; bismuth, cadmium, chromium, cobalt, copper, iron, the chloride and sulphate, though most iron salts are harmless; lead, magnesium, nickel, zinc, and some of the potassium and sodium salts; oxalic acid, picric acid, cocculus indicus (Indian berry, Levant nut), picro toxine, gamboge, aniline, aloes, eosine, fuchsine, and its immediate derivatives; coloring matters containing nitrous vapors, as naphthol yellow, victoria yellow; coloring matters prepared with di-azo compounds.

The following substances are known to produce more or less toxic effects, and whose presence in food is therefore harmful, and whose use is forbidden, under severe penalties, in most foreign countries having laws on the subject: Salicylic acid and its salts, boracic acid and borax, glycerine, alum, beta-naphthol.

(7) The following is a list of harmless coloring matters:

Black.—Chinese black.

Blues.—Berlin blue, indigo, litmus, Prussian blue, saffron blue, ultramarine.

Brown.—Caramel.

Greens.—Chlorophyl, as spinach juice, mixtures of yellow colors with blue. A mixture of Prussian blue, Berlin blue, and Persian berries gives a green rivaling in brilliancy Schweinfurt's green.

Reds.—Annotto, Brazil lac, carmine, carmine lac, cochineal, orseil, the juice of beets and red berries, such as cherries and currants, etc.

Yellows.—Avignon berries, curcuma, fustel, marigold, Persian berries, quercitron, safflower, saffron, turmeric.

Chalk and the ochers.

FORMS.

The application for analysis, certificate of the United States district attorney, report of the analyst, and report of the Commissioner of Internal Revenue will be made in triplicate in the following form, which will be furnished, on application, by the Commissioner of Internal Revenue:

(FORM No. 232.)

UNITED STATES INTERNAL REVENUE.

Part 1.]*

——— ———,
DISTRICT OF COLUMBIA,
———, ——— —, 18—.

Hon. ——— ———,
Commissioner of Internal Revenue:

SIR: The accompanying sample, numbered ——, of a substance bought by me in the District of Columbia on the —— day of ———, 18—, was purchased as ——— from the dealer whose name and address have been revealed by me to ——— ———, United States district attorney for the said district.

This sample is submitted for analysis under your direction and control, pursuant to the provisions of an act entitled "An act to prevent the manufacture or sale of adulterated food or drugs in the District of Columbia," approved October 12, 1888. The sample is believed to be.†

Respectfully, yours,

——— ———.‡

Part 2.] OFFICE OF ATTORNEY OF THE UNITED STATES,
DISTRICT OF COLUMBIA,
Washington, ——— —, *18—.*

I hereby certify that ——— ———, whose signature is affixed to the foregoing application, dated ———, 18—, did, this day, declare that

*See p. 10, (1), (2), and (3).

† NOTE.—The applicant will here insert the words indicating the nature of the suspected adulteration, such as "mixed, colored, stained, or powdered with any ingredient or material so as to render the article injurious to health," or "composed in whole or in part of diseased, decomposed, offensive, or unclean animal or vegetable substance," or "not of the nature, substance, and quality of the article demanded by the purchaser," or "a sample of an article of food from which a part has been subtracted so as to affect injuriously its quality, substance, or nature."

‡ See p. 10 (2).

said application was true, and did also state to me the name, occupation, and address of the person from whom the sample therein described was purchased by him, and he did also state that immediately after such purchase the sample was marked and sealed, or fastened up, in such manner as its nature would permit; and also that I have interrogated said applicant as to the circumstances under which the article was sold, and am satisfied that the application was ——* made in good faith, and that, if the facts suspected by the applicant in relation thereto are found to be true, there is ——* probable cause of action against the seller, under the act of October 12, 1888. ———.†

——— ———,

Attorney of the United States for the District of Columbia.

Part 3.] OFFICE OF INTERNAL REVENUE,
CHEMICAL LABORATORY,
Washington, ——— —, *18—.*

Hon. ——— ———,
Commissioner of Internal Revenue:

SIR: The ——— sample of a substance, bought as ———, received ——— —, 18—, from ——— ———, marked and numbered as follows, ——— ———, and with the accompanying application, dated ——— —, 18—, and certificate of United States district attorney, dated ——— —, 18—, submitted to me for examination, gave the following results on analysis:

The analysis shows that the sample does —— conform to the standard required by the regulations prescribed by the Secretary of the Treasury in accordance with the provisions of section 11 of the act of October 12, 1888, "to prevent the manufacture or sale of adulterated food or drugs in the District of Columbia."

Respectfully, yours,

——— ———.

Serial No. —.

Part 4.] TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, ——— —, *18—.*

——— ———,
——— ———:

SIR: In compliance with the within application made by you on the —— day of ———, 18—, an analysis of the sample transmitted with said application has been made under my control, and I hereby certify that the chemist of this Bureau has reported to me that said sample does —— conform to the standard required by the regulations prescribed by the Secretary of the Treasury, in accordance with the provisions of section 11 of the act of October 12, 1888, "to prevent the manufacture or sale of adulterated food or drugs in the District of Columbia."

Respectfully, yours,

——— ———,
Commissioner.

The Commissioner will return one of the triplicate applications with the reports to the applicant, another to the district attorney, and the third will be retained on file in his own office.

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* Insert "not" if the facts so require.
† Add such additional statement as may be required.

The analyst will submit to the Commissioner of Internal Revenue for the period ending March 31, 1889, and thereafter quarterly, a report on Form 233, for publication, of the results of analysis of all samples found to be adulterated, such reports when verified by the Commissioner to be published in the Internal Revenue Record and to be furnished by him for publication to each member of the press who may apply for the same, and who has an office in the District of Columbia.

CHARLES S. HAMLIN,
Acting Secretary of the Treasury.

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(Series 7, No. 16.)

UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING THE

TAX ON OPIUM MANUFACTURED IN THE UNITED STATES

FOR

SMOKING PURPOSES

UNDER THE

ACT APPROVED OCTOBER 1, 1890.

NOVEMBER 29, 1890.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

TREASURY DEPARTMENT,
Document No. 1375.
Internal Revenue.

55277

Series 7, No. 16.

REGULATIONS

CONCERNING

OPIUM MANUFACTURED IN THE UNITED STATES FOR SMOKING PURPOSES.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, D. C., November 29, 1890.

PREPARED SMOKING-OPIUM.

The act of October 1, 1890, contained provisions relative to imported smoking-opium, to imported opium containing 9 per cent. and over of morphia, and to opium manufactured in the United States by citizens thereof for smoking purposes. Only the last named is subject to internal revenue, but as internal-revenue officers may require the text of the others, they are herewith published:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on and after the sixth day of October, eighteen hundred and ninety, unless otherwise specially provided for in this act, there shall be levied, collected, and paid upon all articles imported from foreign countries, and mentioned in the schedules herein contained, the rates of duty, which are, by the schedules and paragraphs, respectively prescribed, namely: * * *

SCHEDULE A.

47. Opium, aqueous extract of, for medicinal uses, and tincture of, as laudanum, and all other liquid preparations of opium, not specially provided for in this act, forty per centum ad valorem.

48. Opium containing less than nine per centum of morphia, and opium prepared for smoking, twelve dollars per pound; but opium prepared for smoking and other preparations of opium deposited in bonded-warehouse shall not be removed therefrom without payment of duties, and such duties shall not be refunded.

* * * * * * *

FREE LIST.

SEC. 2. On and after the sixth day of October, eighteen hundred and ninety, unless otherwise specially provided for in this act, the following articles when imported shall be exempt from duty: * * *

663. Opium, crude or unmanufactured, and not adulterated, containing nine per centum and over of morphia.

* * * * * * *

INTERNAL REVENUE.

SEC. 36. That an internal-revenue tax of ten dollars per pound shall be levied and collected upon all opium manufactured in the United States for smoking purposes; and no person shall engage in such manufacture who is not a citizen of the United States and who has not given the bond required by the Commissioner of Internal Revenue.

SEC. 37. That every manufacturer of such opium shall file with the collector of internal revenue of the district in which his manufactory is located such notices, inventories, and bonds, shall keep such books and render such returns of material and products, shall put up such signs and affix such number to his factory, and conduct his business under such surveillance of officers and agents as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require. But the bond required of such manufacturer shall be with sureties satisfactory to the collector of internal revenue and in a penal sum of not less than five thousand dollars; and the sum of said bond may be increased from time to time and additional sureties required at the discretion of the collector or under instructions of the Commissioner of Internal Revenue.

SEC. 38. That all prepared smoking-opium imported into the United States shall, before removal from the custom-house, be duly stamped in such manner as to denote that the duty thereon has been paid; and that all opium manufactured in the United States for smoking purposes, before being removed from the place of manufacture, whether for consumption or storage, shall be duly stamped in such permanent manner as to denote the payment of the internal-revenue tax thereon.

SEC. 39. That the provisions of existing laws governing the engraving, issue, sale, accountability, effacement, cancellation, and destruction of stamps relating to tobacco and snuff, as far as applicable, are hereby made to apply to stamps provided for by the preceding section.

SEC. 40. That a penalty of not more than one thousand dollars, or imprisonment not more than one year, or both, in the discretion of the court, shall be imposed for each and every violation of the preceding sections of this act relating to opium by any person or persons; and all prepared smoking-opium wherever found within the United States without stamps required by this act shall be forfeited.

The Secretary of the Treasury is authorized by law to make all needful rules and regulations relative to levying and collecting duties on liquid preparations of opium, and on opium containing less than 9 per cent. of morphia, and opium prepared for smoking imported into the United States. Also, for the admission, free from duty, of opium, crude or unmanufactured, and not adulterated, containing 9 per cent. and over of morphia.

The Secretary of the Treasury has issued instructions to collectors and other officers of the customs relative to the stamping of imported

prepared smoking-opium under the provisions of section 38 of the act of October 1, 1890. They are as follows:

Circular.—Stamping of imported prepared smoking-opium.

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, D. C., October 29, 1890.

To Collectors and other Officers of the Customs:

Section 38 of the tariff act of October 1, 1890, provides "that all prepared smoking-opium imported into the United States shall, before removal from the custom-house, be duly stamped in such manner as to denote that the duty thereon has been paid."

Before the delivery to the importer of any opium prepared for smoking, a customs stamp, similar to those used under the Department's circular of July 16, 1879 (Synopsis 4099), excepting that in addition to the marks, etc., they shall have printed across the face of the vignette the words "duty paid," shall be affixed by the proper officer of the customs in the appraiser's or public store, to each five-tael box or smallest package of the merchandise as imported.

The officer affixing the stamp shall write on the appropriate blank lines provided therein the date, names of the importer, vessel, and port, and his own signature, and shall affix the stamp in such a manner that it will be broken or defaced on the opening of the package.

The necessary stamps will be supplied by the Department on special requisition, and the collector, or other chief officer of the port, will render monthly returns showing the number received since his last report, used during the month, and on hand.

O. L. SPAULDING,
Acting Secretary.

These regulations do not relate to the "stamping of opium manufactured in the United States in such permanent manner as to denote the payment of the internal-revenue tax thereon."

REGULATIONS.

The following regulations are prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, requiring the compliance of manufacturers of opium for smoking purposes in the United States with the terms of the act of October 1, 1890:

CITIZENSHIP.

Title XXV of the Revised Statutes of the United States defines and prescribes who is a citizen of the United States, and is hereby made a part of these regulations.

It will be requisite for each person who proposes to engage in such manufacture of opium to satisfy the proper officers of the Government,

including the collector of the district, that he is a citizen of the United States. Until that has been done satisfactorily he can not lawfully engage in such business in the United States. Record evidence of the proof of citizenship must be filed in the office of the collector.

STATEMENT.

Every manufacturer of smoking-opium, before commencing the business, is required to furnish a sworn statement in duplicate (Form 268), without previous demand, to the collector.

A smoking-opium factory, or place where smoking-opium is made for sale, must be at least an entire room, separated by walls and partitions from all other parts of the building and accurately described on Form 268. It must be so situated that it can constantly be under the surveillance of internal-revenue officers and agents.

Two manufacturers of smoking-opium can not lawfully occupy the same factory premises at the same time. No such manufacturer will be allowed to operate more than one factory within the same limited and described factory premises; nor to have more than one factory number for each factory; nor on such premises to carry on any business deemed to be incompatible with the business of manufacturing smoking-opium.

BOND.

Before any person can be permitted under the act of October 1, 1890, to manufacture smoking-opium in the United States, he must furnish to the collector of the district a bond on Form 269 in the penal sum of not less than $5,000, with sureties approved by the collector. The description therein of the factory premises and machinery must be the same as that made in the statement (Form 268).

The sum of said bond may be increased from time to time and additional sureties required at the discretion of the collector or under instructions of the Commissioner of Internal Revenue. Such bonds are continuous, and the liability of a surety can not lawfully be terminated so long as the person who gives it continues in the business of manufacturing smoking-opium. In cases where an additional surety is required, or the penal sum of the bond is increased, the usual mode is by the making of a new bond, which has concurrent liability with the original bond, and is continuous from its date so long as the person who gives it continues in the business.

The only way in which a surety on such a bond will become free from future liability is for the manufacturer to close his business and then commence again under a new bond. If a new bond should be given

without this being done, the two bonds will be concurrently liable from the time when the new bond takes effect.

Any person manufacturing smoking-opium in the United States without first furnishing satisfactory evidence of his citizenship, and a proper statement in duplicate, and a bond with sureties approved by the collector of the district, will be liable to the penalty prescribed in section 40 of the act of October 1, 1890, of not more than $1,000, or imprisonment not more than one year, or both, at the discretion of the court.

CERTIFICATE.

The collector shall issue to every manufacturer of smoking-opium in his district, upon the filing of his bond and the approval of the sureties thereon, a certificate (Form 270), which will specify the penal sum of said bond. This certificate will contain a transcript from the manufacturer's statement (Form 268), giving an accurate description of the factory premises. Every manufacturer of smoking-opium is required to keep this certificate posted in a conspicuous place in his manufactory, and a neglect or refusal on his part to obtain such certificate or to keep the same posted as hereinbefore provided, renders him liable to the penalty provided in section 40 of the act of October 1, 1890, above quoted.

SIGNS.

Section 37 of the act of October 1, 1890, requires every manufacturer of smoking-opium to put up such signs as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may require. Under this provision of law, it is hereby required that each manufacturer of smoking-opium shall put up in a conspicuous place on the outside of the building used as his factory, where it can be distinctly seen, a sign, with letters thereon not less than 3 inches in length, painted in oil colors or gilded, giving his full name, business, and factory number. The same penalty is prescribed for neglect or refusal to keep such a sign conspicuously displayed, as above stated, as for other violations of the sections of the act relating to smoking-opium.

BOOKS.

To enable the manufacturers of prepared smoking-opium to keep such books and render such returns of material and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation require, the following forms are prescribed: Blank Form No. 271 for book of entries, Blank Form No. 272

for inventories, and Blank Form No. 273 for monthly abstracts or reports.

Every such manufacturer must enter daily in the book prescribed an accurate account of the quantity of opium, of each of the other materials, and of the number and capacity of packages purchased or sold by him; also daily entries of the quantity of prepared smoking-opium manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture, with the name and residence in each instance of the person to whom sold, and, if shipped, to whom shipped and to what place. This book is to be kept at the manufacturer's place of business, and is to be open at all hours to the inspection of any internal-revenue officer or agent.

INVENTORIES.

Every manufacturer of prepared smoking-opium is required to make an inventory on Form 272 at the time of commencing business, on the 1st day of January of each year, and at the time of concluding business, if before or after the 1st day of January. And whenever such an inventory is received by a deputy collector, he will immediately make a personal examination of the stock, sufficient to satisfy himself of the correctness of the inventory, and certify thereto under oath.

As this inventory is an important element in making up the smoking-opium manufacturer's abstract statement on Form 268, *actual* and not *estimated*, *net* and not *gross* weights and numbers, should in all cases be given.

The only entries in the inventory should be of "stock on hand" at the time of making an inventory.

MONTHLY RETURNS.

On or before the 10th day of each month manufacturers of prepared smoking-opium are required to make returns of all purchases of crude opium, gum, and other materials, and of all packages for putting up smoking opium, and make returns, also, of all sales and removals of such articles as required by section 37 of the act of October 1, 1890. These returns are to be made on Form 273, and are to be accurate transcripts of the entries in the book, Form 271, kept by the manufacturer during the previous month. The names and residences of purchasers or of consignees that were entered on said book must also be stated on the monthly return. These returns are to be forwarded to the Commissioner of Internal Revenue.

PACKAGES.

All prepared smoking-opium manufactured in the United States must be put up by the manufacturer for sale, or removal from his factory for sale, consumption, or any other purpose, in packages containing 4, 8, and 16 ounces net weight each.

Every such package shall have printed, indented, burned, or impressed thereon the number of the factory, number of the district, and the State.

No prepared smoking-opium manufactured in the United States shall be sold or offered for sale unless put up in such packages properly stamped. And every person who manufactures, sells, or offers for sale any such smoking-opium not so put up in packages and stamped shall be subject to the penalty provided in section 40 of the act of October 1, 1890, and all prepared smoking-opium, wherever found in the United States, not so put up and properly stamped shall be forfeited.

Every person who purchases or receives for sale any such smoking-opium from any manufacturer in the United States who has not filed with the collector of the district a satisfactory bond and obtained a certificate shall be liable for such offense to the penalty provided in section 40 of the act of October 1, 1890, and to a forfeiture of the smoking-opium so purchased or received.

The absence of the proper stamp on any package of such smoking-opium shall be notice to all persons that the tax has not been paid thereon, and shall be *prima facie* evidence of the non-payment thereof; and such smoking-opium shall be forfeited to the United States.

Every person who affixes to any package containing such smoking-opium any false, forged, fraudulent, spurious, or counterfeit stamp, or a stamp which has been before used, shall be subject to the penalty provided in section 40 of the act of October 1, 1890.

Whenever any stamped package containing such smoking-opium is emptied, the stamp or stamps thereon and the empty package shall be destroyed by the person in whose hands the same may be. And every person who violates this requirement of law shall for each such offense be liable to the penalty provided in section 40 of the act of October 1, 1890.

CAUTION NOTICE.

Every manufacturer of such smoking-opium shall, before removal thereof from the factory, print on each package of such smoking-opium, or securely affix, by pasting thereon, a label, on which shall be printed,

in plain, open, and legible letters, the number of the manufactory and the district and State in which it is situated, and the following notice:

NOTICE.—The manufacturer of this prepared smoking-opium has complied with all the requirements of law. Every person is cautioned, under the penalties of the law, not to use this package for such smoking-opium again.

The label on which the above notice is to be printed is required to be not less than 2 inches long and 1 inch wide. If the notice is printed on the box, it must cover a space of 2 square inches. No part of this space is permitted to be occupied by ornamentation or by any other words than those above mentioned.

This label must not be covered up or concealed by any other labels or marks or by the stamp.

Every manufacturer who neglects to affix such label or print such notice on any package containing smoking-opium made by him, and every person who removes any such label or notice from any such package, shall be liable to the penalty provided in section 40 of the act of October 1, 1890.

AFFIXING AND CANCELING STAMPS.

The Commissioner of Internal Revenue has caused to be prepared suitable stamps to denote the payment of the internal-revenue tax on such smoking-opium. By law the provisions of existing laws governing the engraving, issue, sale, accountability, effacement, cancellation, and destruction of stamps relating to tobacco and snuff, as far as applicable, are made to apply to such stamps. (See section 39, act of October 1, 1890.)

These stamps must be affixed in a permanent manner and so that on opening the package the stamp will be broken in two places.

The manufacturer will write or imprint, *in red ink*, in a legible and durable manner, his registered number, name, collection district, State, and date of cancellation on each said stamp.

DUTIES OF INTERNAL-REVENUE OFFICERS.

Section 37 of the act of October 1, 1890, prescribes that every manufacturer of opium in the United States for smoking purposes "shall conduct his business under such surveillance of officers and agents as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require." Therefore, collectors are required to carefully observe the following directions:

1. Satisfactory evidence of the fact that the person who proposes to engage in such manufacture is a citizen of the United States must be

furnished before any acceptance of his statement. on Form 268, or approval of his bond, on Form 269, by the collector. In cases of doubt the person must establish the proof of his citizenship before a proper court, as provided in Title XXV, United States Revised Statutes, or any subsequent law.

2. On receipt of the sworn statement of such person (Form 268) the collector must satisfy himself by a personal inspection, or by the receipt of a written report of an inspection made by the deputy in charge of the division, that the premises are properly separated and that they are so situated that they can be constantly under the surveillance of internal-revenue officers and agents.

3. When the collector has become satisfied as to the citizenship of the person and as to the separation and accessibility of the premises to the constant surveillance of internal-revenue officers and agents, he will furnish the person who has applied therefor with a blank bond (Form 269) and instruct him how to properly execute it. (The penal sum of the bond is not to be less than $5,000; and the sum of said bond may be increased from time to time and additional sureties required at the discretion of the collector or under instructions of the Commissioner of Internal Revenue.) When it is executed he will take the proper steps to satisfy himself of the sufficiency of the sureties of the bond offered. In view of the fact that this bond is the main protection to the revenue in case of failure to comply with the law and the regulations, the collector should see to it that the sureties are residents of the same judicial district and that they have unincumbered real estate in fee worth at least twice the penal sum of the bond. They should be qualified on Form 33 before they are approved as good and sufficient sureties to the bond.

4. After the bond has been approved, the collector will give a number to the factory. In view of the fact that the law prescribes that the number shall be given to the factory, it can not therefore be changed or transferred to another building or other premises. It can be continued in use in cases where the premises are enlarged or diminished with the written consent of the makers of the bond.

5. Record book of manufacturers.

Every collector shall keep a record in a book or books provided for that purpose, to be open to the inspection of only the proper officers of internal revenue, including deputy collectors and internal-revenue agents, of the name and residence of every person engaged in the manufacture of prepared smoking-opium in his district, the place where such manufacture is carried on, and the number of the manufactory; and he shall enter in said record, under the name of each manufacturer, a copy

of every inventory required to be made by such manufacturer and an abstract of his monthly returns.

On receipt of each inventory and monthly return the collector or the deputy in charge of the division will carefully examine the same with a view to seeing whether it has been made in proper form, whether the entries are of actual net weights, and whether they correspond with invoices, bills of sale, and other proper vouchers.

If found to be correct in every particular, they will be copied as above indicated; if not, they should be promptly returned for correction, and the deputy should personally see that the proper corrections are made. In view of the fact that these inventories and returns are made the basis of computations for the determination of the liability of the manufacturer to assessment for apparent deficiencies, great pains should be taken to have them made promptly and accurately.

After these inventories and monthly reports have been carefully examined by the collector, they must be promptly forwarded to the Commissioner of Internal Revenue for his consideration and action.

Upon satisfactory proof that a manufacturer has removed from the place of manufacture smoking-opium not stamped as required by law, assessments will be made by the commissioner under the provisions of sections 3182 and 3437, Revised Statutes. Such assessments are to be made at any time within two years after the removal as aforesaid and are in addition to the penalties imposed for the illegal removal.

All provisions of the Regulations, Series 7, No. 8, revised November, 1890, relating to tobacco and cigars, that are not in conflict with those above prescribed, and that are applicable to prepared smoking-opium, are hereby made a part of these Regulations.

JOHN W. MASON,
Commissioner.

Approved:
A. B. NETTLETON,
Acting Secretary of the Treasury.

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[Series 7, No. 17, Revised.]

UNITED STATES INTERNAL REVENUE.

REGULATIONS

RELATIVE TO THE

BOUNTY ON SUGAR

OF

DOMESTIC PRODUCTION

UNDER THE

Provisions of the Act of Congress approved October 1, 1890.

AUGUST 18, 1892.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1892.

55277

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LAWS IN REGARD TO SUGAR.

[ACT OF OCTOBER 1, 1890, 26 STAT., 567.]

AN ACT to reduce the revenue and equalize duties on imports, and for other purposes.

SEC. 1.

* * * * * * *

BOUNTY ON SUGAR.

231. That on and after July first, eighteen hundred and ninety-one, and until July first, nineteen hundred and five, there shall be paid, from any moneys in the Treasury not otherwise appropriated, under the provisions of section three thousand six hundred and eighty-nine of the Revised Statutes, to the producer of sugar testing not less than ninety degrees by the polariscope, from beets, sorghum, or sugar-cane grown within the United States, or from maple sap produced within the United States, a bounty of two cents per pound; and upon such sugar testing less than ninety degrees by the polariscope, and not less than eighty degrees, a bounty of one and three-fourths cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

NOTICES, APPLICATIONS FOR LICENSE, AND BONDS.

232. The producer of said sugar to be entitled to said bounty shall have first filed prior to July first of each year with the Commissioner of Internal Revenue a notice of the place of production, with a general description of the machinery and methods to be employed by him, with an estimate of the amount of sugar proposed to be produced in the current or next ensuing year, including the number of maple trees to be tapped, and an application for a license to so produce, to be accompanied by a bond in a penalty, and with sureties to be approved by the Commissioner of Internal Revenue, conditioned that he will faithfully observe all rules and regulations that shall be prescribed for such manufacture and production of sugar.

LICENSES.

233. The Commissioner of Internal Revenue, upon receiving the application and bond hereinbefore provided for, shall issue to the applicant a license to produce sugar from sorghum, beets, or sugar-cane grown within the United States, or from maple sap produced within the United States at the place and with the machinery and by the methods described in the application; but said license shall not extend beyond one year from the date thereof.

NO BOUNTY TO BE PAID IN CERTAIN CASES. REGULATIONS AND INSPECTION.

234. No bounty shall be paid to any person engaged in refining sugars which have been imported into the United States, or produced in the United States upon which the bounty herein provided for has already been paid or applied for, nor to any person unless he shall have first been licensed as herein provided, and only upon sugar produced by such person from sorghum, beets, or sugar-cane grown within the United States, or from maple sap produced within the United States. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the manufacture of sugar from sorghum, beets, or sugar-cane grown within the United States, or from maple sap produced within the United States, and shall, under the direction of the Secretary of the Treasury, exercise supervision and inspection of the manufacture thereof.

PAYMENT OF BOUNTIES. NO BOUNTY UPON LESS THAN FIVE HUNDRED POUNDS.

235. And for the payment of these bounties the Secretary of the Treasury is authorized to draw warrants on the Treasurer of the United States for such sums as shall be necessary, which sums shall be certified to him by the Commissioner of Internal Revenue, by whom the bounties shall be disbursed, and no bounty shall be allowed or paid to any person licensed as aforesaid in any one year upon any quantity of sugar less than five hundred pounds.

PENALTIES.

236. That any person who shall knowingly refine or aid in the refining of sugar imported into the United States or upon which the bounty herein provided for has already been paid or applied for, at the place described in the license issued by the Commissioner of Internal Revenue, and any person not entitled to the bounty herein provided for, who shall apply for or receive the same, shall be guilty of a misdemeanor, and upon conviction thereof, shall pay a fine not exceeding five thousand dollars, or be imprisoned for a period not exceeding five years, or both, in the discretion of the court.

IMPORT DUTIES. BEET-SUGAR MACHINERY FREE UNTIL JULY 1, 1892.

237. All sugars above number sixteen Dutch standard in color shall pay a duty of five-tenths of one cent per pound: *Provided*, That all such sugars above number sixteen Dutch standard in color shall pay one-tenth of one cent per pound in addition to the rate herein provided for, when exported from, or the product of any country when and so long as such country pays or shall hereafter pay, directly or indirectly, a bounty on the exportation of any sugar that may be included in this grade which is greater than is paid on raw sugars of a lower saccharine strength; and the Secretary of the Treasury shall prescribe suitable rules and regulations to carry this provision into effect.

And provided further, That all machinery purchased abroad and erected in a beet-sugar factory and used in the production of raw

sugar in the United States from beets produced therein shall be admitted duty free until the first day of July, eighteen hundred and ninety-two: *Provided*, That any duty collected on any of the above-described machinery purchased abroad and imported into the United States for the uses above indicated since January first, eighteen hundred and ninety, shall be refunded.

238. Sugar candy and all confectionery, including chocolate confectionery, made wholly or in part of sugar, valued at twelve cents or less per pound, and on sugars after being refined, when tinctured, colored, or in any way adulterated, five cents per pound.

239. All other confectionery, including chocolate confectionery, not specially provided for in this act, fifty per centum ad valorem.

240. Glucose, or grape sugar, three-fourths of one cent per pound.

PROVISIONS TAKE EFFECT APRIL 1, 1891.

241. That the provisions of this act providing terms for the admission of imported sugars and molasses and for the payment of a bounty on sugars of domestic production shall take effect on the first day of April, eighteen hundred and ninety-one.

FREE LIST.

SEC. 2.

* * * * * * *

726. Sugars, all not above number sixteen Dutch standard in color, all tank bottoms, all sugar drainings, and sugar sweepings, sirups of cane juice, melada, concentrated melada, and concrete and concentrated molasses, and molasses.

CONDITIONAL DUTY ON SUGAR.

SEC. 3. That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the first day of January, eighteen hundred and ninety-two, whenever and so often as the President shall be satisfied that the Government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension, duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides, the product of or exported from such designated country as follows, namely:

All sugars not above number thirteen Dutch standard in color shall pay duty on their polariscopic tests as follows, namely:

All sugars not above number thirteen Dutch standard in color, all tank bottoms, sirups of cane juice or of beet juice, melada, concentrated melada, concrete and concentrated molasses, testing by the

polariscope not above seventy-five degrees, seven-tenths of one cent per pound; and for every additional degree or fraction of a degree shown by the polariscopic test, two hundredths of one cent per pound additional.

All sugars above number thirteen Dutch standard in color shall be classified by the Dutch standard of color, and pay duty as follows, namely: All sugar above number thirteen and not above number sixteen Dutch standard of color, one and three-eighths cents per pound.

All sugar above number sixteen and not above number twenty Dutch standard of color, one and five-eighths cents per pound.

All sugars above number twenty Dutch standard of color, two cents per pound.

Molasses testing above fifty-six degrees, four cents per gallon.

Sugar drainings and sugar sweepings shall be subject to duty either as molasses or sugar, as the case may be, according to polariscopic test.

* * * * * * *

NOTE.—Under this provision the President issued proclamations March 15, 1892, suspending from that date the provisions of the act relating to the free introduction of sugar, and declaring the duties set forth in section 3 in force as to sugar the product of or exported from Colombia, Haiti, and Venezuela.

ALCOHOL FREE OF TAX FOR MAKING SUGAR FROM SORGHUM.

[Extract from act approved March 3, 1891, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1892. 26 Stat., 1050.]

That any manufacturer of sugar from sorghum may remove from distillery warehouses to factories used solely for the manufacture of such sugar from sorghum, distilled spirits in bond free of tax, to be used solely in such manufacture of sugar from sorghum; that all distilled spirits removed as herein authorized shall be of an alcoholic strength of not less than one hundred and sixty per centum proof, and may be removed, stored, and used in the manufacture of sugar from sorghum, and when so used may be recovered by redistillation in the sugar factory of such sugar manufacturer under such bonds, rules, and regulations for the protection of the revenue and the accomplishment of the purposes herein expressed as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Any person who removes or uses distilled spirits in violation of this provision, or the regulations issued pursuant thereof, shall, on conviction thereof, be fined not less than one thousand dollars nor more than five thousand dollars for each offense, and the spirits and the premises on which such spirits are used shall be forfeited to the United States.

INSPECTORS.

[Extract from act of March 3, 1891, making appropriation for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1892. 26 Stat., 925.]

The Commissioner of Internal Revenue is authorized to employ not to exceed twelve inspectors, at a salary not exceeding five dollars per day and necessary expenses, whose duty it shall be to inspect sugar upon which a bounty is required to be paid under the act of Congress entitled, "An act to reduce the revenue and equalize duties on im-

ports, and for other purposes," approved October first, eighteen hundred and ninety; to aid in ascertaining the amount of bounty due thereon, and to perform such other duties as may be required by the Commissioner of Internal Revenue.

(Series 7, No. 17—Revised.)

BOUNTY ON SUGAR.

REGULATIONS

RELATIVE TO

BOUNTY ON SUGAR, UNDER THE PROVISIONS OF THE ACT APPROVED OCTOBER 1, 1890.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, August 18, 1892.

The act of Congress, approved October 1, 1890, entitled "An act to reduce the revenue and equalize duties on imports and for other purposes" (Schedule E), provides:

(231) That on and after July first, eighteen hundred and ninety-one, and until July first, nineteen hundred and five, there shall be paid, from any moneys in the Treasury not otherwise appropriated, under the provisions of section three thousand six hundred and eighty-nine of the Revised Statutes, to the producer of sugar testing not less than ninety degrees by the polariscope, from beets, sorghum, or sugar cane grown within the United States, or from maple sap produced within the United States, a bounty of two cents per pound; and upon such sugar testing less than ninety degrees by the polariscope, and not less than eighty degrees, a bounty of one and three-fourths cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

It further provides that "the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the manufacture of sugar from sorghum, beets, or sugar cane grown within the United States, or from maple sap produced within the United States, and shall, under the direction of the Secretary of the Treasury, exercise supervision and inspection of the manufacture thereof."

Under this authority, the following regulations are prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

WHEN THE ACT TOOK EFFECT.

The provisions of the act of October 1, 1890, providing terms for the payment of the bounty, took effect on the first day of April, 1891; that is, April first was the date when applications for licenses might be made and the notices and bonds filed, and the law became operative so far as authorizing the issuing of licenses by the Commissioner of Internal Revenue, but no bounty was payable on sugar produced prior to July 1, 1891.

The words "current or next ensuing year," in paragraph 232, are understood to mean the fiscal year, or the bounty year, commencing July first.

THE BOUNTY PERIOD.

The period during which bounty is payable is specified in paragraph 231 as "on and after July first, eighteen hundred and ninety-one, and until July first, nineteen hundred and five;" that is, during a period of fourteen years.

NOTICE AND APPLICATION FOR LICENSE.

All producers of sugar who intend to apply for the bounty on the sugar produced, in order to entitle themselves thereto, must, prior to July first of each year, file a notice of the place of production, with a description of the machinery and methods to be employed, and an estimate of the amount of sugar proposed to be produced in the next ensuing year, including the number of maple trees to be tapped, and make an application for a license.

This notice must be in duplicate, and be filed with the collector of internal revenue of the proper district, who will retain one copy and forward the other to the Commissioner of Internal Revenue.

The application for license will be on the same form as the notice.

Producers of sugar from beets, sorghum, or sugar cane will use Form No. 287 for giving the notice and making the application required.

Producers of sugar from maple sap, in giving their notice and making their application for license, will use Form No. 288, revised.

The blanks in these forms should be properly filled, and in case of any change in the method of manufacture, location, or otherwise, occurring subsequently to the date of the notice, a supplemental notice shall be immediately given to the collector of the district or the deputy collector of the division.

The notice and application for license may be signed by the agent, manager, or superintendent, or other person duly authorized by the principal.

In the case of a firm, the notice and application for license may be signed in the firm name by any individual member thereof.

In the case of a corporation, the full corporate name, and that the corporation has been duly organized under the laws of the State, must be shown, and the notice and application for license must be signed with the corporate name and with the name and title of the officer duly authorized to sign for the company, such signature to be authenticated by the corporate seal.

In filling the blanks in Form 287, the producer will state under the proper heading the number of acres proposed to be planted in cane by himself and the probable yield in tons of cane per acre; and under the next heading, he will state the estimated quantity of cane proposed to be purchased from outside parties. The estimate of the yield of cane per acre will be based on the average yield of previous seasons. Where sugar cane is raised it is to be considered as topped and stripped ready for the mill, and the estimate will be made on that basis; if sorghum cane is raised, it is to be considered as topped but not stripped. The subheads "Plant" and "Stubble" do not apply to sorghum.

In case sirup is purchased and worked into sugar, full information must be furnished as to the apparatus used in producing the sirup, its capacity, the estimated quantity of cane to be used for the season, the location of the sirup factory, its distance from the factory purchasing the sirup, and the manner in which the sirup is to be transported. Where the party giving the notice proposes to work sirup into sugar on contract for other parties who produce the sirup and retain ownership, full information must be furnished as to the estimated quantity of sirup to be so worked, the names of the parties for whom it is to be worked, and the manner in which the sirup is to be transported.

The terms of the contract must be stated, but the amount to be paid by the producer need not be stated. Enough of the contract must be given to show its general character, to enable the Internal Revenue Bureau to determine who is in law the producer and entitled to the bounty.

The evaporative capacity of vacuum evaporators may be stated either in number of gallons of water the apparatus is capable of evaporating per twenty-four hours, or in number of gallons of juice it is capable of evaporating from 8 degrees to 30 degrees Baumé.

In cases where the sugar producer has his sirup worked into sugar at another factory it is not necessary that the number of evaporators,

vacuum strike pans, centrifugals, etc., the apparatus belonging to the factory or refinery where the sirup is made into sugar, shall be stated. It is only his own apparatus to be used by him in making the sirup which must be stated in the notice.

BONDS.

Sugar producers who intend to apply for the bounty on sugar produced must also execute a bond with two or more sureties according to the prescribed form, which must accompany the notice and application for license and be filed prior to July first of each year. The instructions printed on the bond must be particularly observed and complied with.

The form of bond for producers of sugar from beets, sorghum, or sugar cane is No. 278.

Producers of sugar from maple sap will use Form 288, revised, which includes, also, the notice and application for license.

Collectors will, in addition to a careful examination of the sufficiency of all sureties offered, require the sureties to bonds on Form No. 278 to justify in amounts which, in the aggregate, should not be less than the penal sum of the bond.

When the same sureties appear on several bonds inquiries should be made as to their responsibility for the entire amount for which they may become liable.

These bonds, after the sufficiency of the sureties has been certified by the collector of the district, must be transmitted to the Commissioner of Internal Revenue for approval.

Individual sureties must reside in the same collection district with the principal, except in cases where the collector is otherwise specially instructed.

The collector is to be the judge of the sufficiency of the sureties. If a guarantee company, authorized by law to become surety on bonds and undertakings, should be tendered as a surety on a sugar producer's bond, the collector can accept the same if the company is within the jurisdiction of the United States court of the district in which the collector's office is located, or has a resident agent there, duly authorized to accept service, or upon whom service may be made in case of suit, and has money or property subject to execution or process sufficient in amount to meet all probable demands upon it.

A copy of the charter and by-laws of such company, if accepted as a surety, with a statement of its financial condition and a certificate of the appointment of the party authorized to accept service in any suit

brought against the company, must be filed in the office of the Commissioner of Internal Revenue, and also in the office of the collector.

In the case of a firm executing a bond the name of each person constituting the firm, as well as the style of the firm, must be stated in the recital, as, for instance, "John Doe and Richard Roe, doing business as Doe and Co.," and the bond must be signed and execution acknowledged by each member of the firm. The firm name shall be signed first, followed by the signature of each member. One member of a firm can not sign for the other members unless he has a full power of attorney, executed under seal and duly acknowledged, giving him authority, and in such cases the original power of attorney must be attached to the bond.

In the case of a corporation, the full corporate name, and that the corporation has been duly organized under the laws of the State, must be shown in the recital, and the bond must be signed with the corporate name, and with the name and title of the officer duly authorized to sign for the company by the by-laws, or by resolution at some meeting of the company or the directors, a copy of which resolution or by-laws shall accompany the bond. The signature of the corporation as principal on the bond shall be authenticated by the corporate seal of the company.

In case an administrator of an estate, or an executor, proposes to engage in business as sugar producer and give a bond, such person must show by what authority he proposes to carry on business as sugar producer, and cite the law of the State, or furnish an order of court permitting him to do so.

The office of a tutor under the law of Louisiana is equivalent to that of guardian under the common-law. A tutor giving bond must furnish a certified copy of the order of court appointing him tutor.

In the case of agents who propose to carry on business and give bond as sugar producers, proper authority to act as agents must be shown. They must furnish a power of attorney from the principals, executed under seal, giving authority to the agent to execute a bond. The bond shall be signed in the name of the principal by the duly authorized agent, who will sign his name as such agent.

If women are engaged in business as producers and give a bond, it must be shown whether they are married or single, and, if married, whether the law of the State authorizes married women to give a bond.

The penal sum of the bond will be fixed by the collector of internal revenue, and will be equal to at least one-half the bounty on the amount of sugar proposed to be produced during the year, reckoned at two cents per pound, but will not in any case be less than $100.

If in any case the collector is of the opinion that the location of the factory is such as would enable the producer to defraud the Government he will report the facts to the Commissioner of Internal Revenue in forwarding the bond, and in such cases approval will be withheld until all required conditions are satisfactory.

A new bond will be required in case of the death or insolvency of the sureties, or in any other contingency, at the discretion of the Commissioner of Internal Revenue.

Collectors will report the facts whenever in their opinion a contingency arises which renders it proper that a new bond should be required to protect the interests of the Government.

The names and residences of sureties upon the bonds of sugar producers and other data relative to bonds will be entered in the collector's record of bonds received. (Book No. 38.)

Collectors will inform sugar producers, as far as practicable, of the requirement that the notice, application for license, and bond must be filed prior to July first in order to entitle the applicant to obtain a license for the next ensuing year, so that no one intending to manufacture sugar and apply for the bounty may fail to file the necessary papers within the time prescribed by law. Applications for license with bond must be mailed seasonably, so as to reach the collector's office before the first day of July.

LICENSES.

Collectors will forward the notices, applications for licenses, and bonds of sugar producers to the Commissioner of Internal Revenue as soon as they have been examined and are satisfactory.

If the same, upon examination, are found in due form, and are approved by the Commissioner, licenses will be issued without charge through the collector of internal revenue, and the same must be kept conspicuously displayed in the place or establishment where the sugar is produced.

The licenses will be numbered consecutively in each district, commencing with No. 1, and each factory will be designated by the same number. Licenses expire on the 30th of June of each year.

There is no provision in the law for transferring a license.

BOUNTY.

Upon sugar testing 80 to 90 degrees by the polariscope the bounty will be $1\frac{3}{4}$ cents per pound, and upon sugar testing 90 degrees and above, 2 cents per pound.

There is no bounty on sirup which is not made into sugar, nor upon sugar testing less than 80 degrees by the polariscope—that is, containing less than 80 per cent. of sucrose or pure sugar.

The law provides that "no bounty shall be allowed or paid to any person licensed as aforesaid in any one year upon any quantity of sugar less than five hundred pounds."

A licensed sugar producer who makes more than 500 pounds of sugar during the year is not entitled to the bounty unless he makes 500 pounds testing 80 degrees or over.

The law provides that no bounty shall be paid to any person engaged in refining sugars which have been imported into the United States or produced in the United States upon which the bounty has already been paid or applied for, nor to any person unless he shall have first been licensed, and only upon sugar produced by such person from sorghum, beets, or sugar cane grown within the United States, or from maple sap produced within the United States.

If a planter or farmer sells the cane which he has raised, or the sirup which he has produced, at any period before the manufacture of sugar is completed, he will have no right to the bounty on the completed product.

POLARISCOPIC TEST.

It will be necessary under the law to classify the sugar for payment of the bounty according to the polariscopic test.

The polariscope is an instrument which determines the per cent. of pure sugar in any given sample, without regard to its color or condition. The sample of sugar to be tested is carefully weighed and dissolved in an exact volume of water, and a ray of polarized light is passed through the solution. In passing through the solution the ray is deviated in proportion to the amount of pure sugar which the solution contains. This instrument measures the deviation of the ray upon a scale of one hundred degrees.

When sugar tests eighty degrees, it is eight-tenths pure sugar. There will be no bounty upon any sugar which does not contain 80 per cent. of sucrose or pure sugar.

SUPERVISION AND INSPECTION OF FACTORIES FOR THE PRODUCTION OF SUGAR FROM BEETS, SORGHUM, OR SUGAR CANE.

All deputy collectors in charge of divisions in which factories for the production of sugar from beets, sorghum, or sugar cane are located will be expected to become thoroughly familiar with the construction and operation of such establishments and with the law and regulations upon the subject.

After a license has been issued the collector will furnish the deputy in charge of the division within which the factory is located, or other deputy, agent, or officer assigned to the duty of inspecting factories, with a copy of the notice and application for license. Before the factory commences to operate under the license such deputy, agent, or officer will proceed to the location of the factory and thoroughly inspect the premises, buildings, and machinery used in the business. He will see that the items of information furnished in the notice were correctly stated, adding to the copy of the notice such changes, if any, as may be found necessary.

He will give the sugar producer instructions as to the manner in which his books must be kept and his reports rendered.

Operations must begin under the license with no molasses, sirup, materials for making sugar, or sugar on hand from the previous season, except such molasses, third product, or wagon sugars as the sugar producer has been allowed by the Department to retain on the premises for subsequent treatment as material in process.

Final molasses, which will yield no more sugar, may remain on storage in the factory from one licensed period to another.

Collectors will see that each establishment for the production of sugar from sorghum, beets, or sugar cane is kept under strict surveillance while in operation.

The factories shall be frequently visited by the division deputy collector or other officers assigned to that duty and the stock and premises carefully examined. The sugar put up shall be examined to see that the packages are correctly marked and branded.

The principal object of the inspection is to ascertain that everything is regular; that no sugar comes to the factory from outside, and that no sugar remains in the factory after it has been weighed and inspected. The premises shall be carefully examined to see if there is any evidence that sirup or sugar has been received irregularly.

The books of railroad and other transportation companies shall be examined to see whether any sugar or sirup arrives at that point in an unusual manner, and, if so, it must be traced and the facts in regard to it ascertained.

The deputy or officer will note the processes employed in the manufacture and closely observe the operations to see whether the same correspond with the statements made by the sugar producer in his notice and application for license, and to satisfy himself as to the sugar-producing capacity of the establishment. He will particularly inspect the book required to be kept by the sugar producers, and make comparison with his returns, and if any apparent discrepancy or omission

is found, he will require any other books or records kept to be submitted for his examination and comparison with the entries in the Government book. Any material omission or delinquency in keeping the book he will immediately report to the collector. Omissions or erroneous methods of keeping the book arising from ignorance he will require to be corrected.

Investigation shall be made of shipments of sales to customers in the vicinity, and of removals for consumption, and any discrepancy, irregularity, or suspicious circumstances must be immediately reported to the collector.

When cane or sirup is purchased, particular attention shall be given to the accounts. The records of the planters from whom purchases are made shall be compared with the sugar producer's books to see that no purchases are made of sirup except from persons growing the cane and producing the sirup.

The collector will promptly report to the Commissioner any violation of law or regulations, or any matter requiring special investigation.

When the sugar factories have ceased operations for the season, they shall be inspected by the proper inspector or deputy collector, and an examination made of the books to see that the accounts have been properly kept, and that the proper inventory has been taken and record made of the wagon sugars left over to be worked into sugar at a later period.

REQUIREMENTS TO BE OBSERVED BY PRODUCERS OF SUGAR FROM BEETS, SORGHUM, OR SUGAR CANE.

NOTICE OF INTENTION TO COMMENCE.

Before commencing business under his license the producer of sugar from beets, sorghum, or sugar cane will notify the collector of the date and time when he expects to commence operations.

This notice should be made whenever the date is fixed and may be made in form as follows:*

———, ———,

———, ———, 189 .

To ——— ———,

Collector of Internal Revenue, District of ———.

SIR: I intend to commence operations at my sugar factory, License No. ———, on the ——— day of ———, 189—, at —— o'clock — M., in accordance with my notice and application for license heretofore made.

* This office does not furnish any printed forms for this notice.

I have no sugar, molasses, or materials for making sugar on hand at said factory, except as follows:

_____ _____,

Sugar Producer.

If the producer has been licensed the previous year and has any sugar, molasses, or material on hand left over from the previous season, he will report the quantity on hand in his notice, and state when the same will be worked up or removed.

PACKAGES.

Licensed producers of sugar from beets, sorghum, or sugar cane must pack all sugars manufactured by them in either bags, barrels, half barrels, or hogsheads, or in such other form as may be approved by the Commissioner of Internal Revenue.

MARKING PACKAGES.

The packages of all sugar put up must be numbered serially commencing each season or licensed period with number 1.

The packages must also be marked with the producer's name, and the name of the plantation or place of production, the kind or grade of sugar, and the gross, the tare, and the net weights thereof. These numbers and marks must be put on the package in a legible and durable manner, and in case of barrels or hogsheads on the head thereof. The empty packages shall be weighed by the sugar producer before they are packed and the weight of the same marked thereon.

In the case of sugar put up in bags of a uniform size and weight, the gross weight and tare need not be marked upon the bags of sugar so put up.

WEIGHTS NOT REQUIRED TO BE PLACED ON PACKAGES BY THE SUGAR PRODUCER IN CERTAIN CASES.

If sugar producers have no facilities for weighing sugar, and desire to ship it from the place of production to a central place before it is weighed, they may be permitted to do so. In such cases the packages shall be marked by the sugar producer as above required, with the exception of the weights, which shall be put on by the Government weigher when the packages are weighed.

HYDROMETERS.

Every sugar producer must provide himself with either a Baumé or Brix hydrometer, for determining the density of juice, in order to make correct entries in the book as required.

The hydrometer must also be used to ascertain the density of sirup in case any is purchased or sold, entry of which is also required.

LOTS AND BILLS OF LADING.

Sugars upon which bounty is claimed shall be packed and shipped in lots of the same grade and kind.

When sugars are shipped the number of the lot must be put on the package as an identification and as a means of describing the same in bills of lading and notice to collector of the shipment, and these consecutive lot numbers shall be designating marks as well as the serial numbers for all purposes of weighing, sampling, testing. etc.

When sugars are shipped the bills of lading shall describe all the marks and numbers appearing upon the packages, and duplicate bills of lading shall be taken, one copy to be furnished to the collector of internal revenue.

When the sugar is shipped to a central place to be weighed, the bill of lading will be furnished to the collector with the consignee's notice of arrival of sugar (Form No. 299). In other cases the extra bill of lading furnished by the railroad or steamship company to the producer can be given to the deputy collector who weighs the sugar at the factory, to be sent by him to the collector.

WEIGHING SUGAR. SCALES FOR WEIGHING. DESK ROOM FOR WEIGHERS AND SAMPLING INSTRUMENTS.

All the manual labor connected with and incident to the weighing and inspection of sugar must be furnished by the sugar producer.

When sugars are officially weighed and inspected at the factory, the producer must furnish the scales required for such purpose and the same must be kept to conform with the United States standard, and when the sugar is weighed at the factory or elsewhere the packages must be arranged in such a manner as will best facilitate the operations of weighing and inspecting.

Producers must also furnish weighers stationed at their factories with the necessary desk room for making out their reports, and with locked closets, etc., so as to enable them to keep their samples and papers under lock and key, and they must also furnish the necessary sampling instruments, tin boxes and chests for containing samples and pay the expense of transporting samples.

REMOVAL OF SUGAR AFTER BEING WEIGHED.

The packages must be removed from the factory immediately, or as soon as practicable after being weighed and sampled, to a warehouse

separate from the factory pending shipment. A warehouse under the same roof is adjudged separate if partitioned off by itself and used for no other purpose but storing sugar, and is subject to the control of an internal-revenue officer. Sugar intended for home use or local consumption must be removed from the factory or the room where the weighing of other sugar is to follow, immediately after being weighed and sampled. A failure to comply with this requirement will be sufficient cause for withholding draft for payment of bounty.

Sugar producers may keep their sugar at the place of production, if they desire, until they are ready to have it weighed and inspected; but if it has been shipped from the place of production to a central place, it shall be weighed and inspected upon its arrival, or as soon thereafter as practicable.

ACCESS TO BUILDINGS.

Sugar producers will be required to furnish revenue officers, or other persons who may be authorized to make inspection of the sugar factories, access to any building or place used in connection with the business at all times, and furnish necessary assistance and facilities for making examination of the premises and taking account of the apparatus, material, or products.

BOOKS.

Every licensed producer of sugar from sorghum or sugar cane is required to provide, at his own expense, a book, in which shall be entered daily the quantity of materials used for the production of sugar, the quantity of juice obtained and its average density, the number of hours the mill was in operation, the quantity of sugar, in pounds, of each grade produced and packed, with the number and kind of packages and the serial numbers of the same, the quantity of sugar shipped, sold, or removed for sale, consumption, or storage, and the name and address of the person to whom shipped, sold, or disposed of.

When cane is purchased, the book must show the name of the person or persons from whom purchased, and the amount from each. When sirup is purchased, the book must show the quantity purchased, and its average density, the name and address of persons from whom purchased, and the quantity in tons and acres of cane from which the sirup was produced, so that the sirup purchased can be traced back directly to the cane. When the number of acres of cane can not be accurately ascertained, an estimate shall be made. If the column for the

names and addresses of persons from whom cane or sirup is purchased is not sufficient to contain all the entries necessary, the data shall be kept on blank leaves in another portion of the book, or in another book, and reference made in the column to the book and the page.

For the purposes of this record a day shall be considered as beginning at 6 o'clock a. m. of the date specified—for example, the entries for any given date must include all operations between the hours of 6 a. m. of the day for which entry is made and 6 a. m. of the following day.

In determining the number of hours the mill is operated each day, the computation is to be based upon the time during which cane is consumed by the mill (or by the cutters and comminutors, if diffusion process is used), without regard to the operation of the rest of the factory. No deduction should be made for the stoppages of the mill of less than fifteen minutes' duration.

For ascertaining the density of juice obtained the sugar producer can use either Baumé or Brix hydrometer, specifying at the head of the column the hydrometer used.

In the account of cane used, if no scales are kept at the factory upon which the cane can be weighed, the quantity may be estimated. In such cases the number of car, wagon, or cart loads shall be stated, and the cart or wagon described as two-wheeled or four-wheeled, and the number of animals used to draw each load stated. A ton is to be reckoned at 2,000 pounds.

Cut seconds, or any sugars grained in the strike pan, shall be entered as first sugars.

It is desirable that in addition to the data required to be kept on the prescribed form, memoranda be made of the general operations of the factory, giving the number of strikes of different kinds of sugar made, the number of stoppages and causes of each. This can be entered in the column headed "Remarks or memoranda."

In case the manufacture of sugar is carried on by the open-kettle process, the entry of sugar produced shall be made only when the process is completed; that is to say, whenever the hogsheads or other packages are filled and closed for numbering and marking. The number and kind of the packages shall then be entered and their serial numbers recorded, and also the net pounds, where facilities exist for weighing. Although it may be that the sugars entered on a given day as produced and packed have been for a considerable time in process of manufacture, the process has not been finished and the package can not be numbered and marked, nor weighed, until the process is completed; and when this time arrives and the packages are closed,

the numbering, marking, and weighing, if practicable, must be done at once and the entries thereof made on the day when the same takes place.

It will be the duty of sugar producers who purchase from planters and farmers sirup made from cane to require the persons who make the sirup to keep books showing the quantity of cane raised, the quantity of juice produced, the quantity of sirup made, the name of the parties to whom it is sold, with date of shipment, route shipped, and full particulars of shipment, which books must be open to inspection by Government officers the same as the sugar producer's books.

If a planter or farmer sends the sirup produced by him from cane to another factory to be made into sugar, still retaining the ownership of the sirup and the product, his books must show full details of amount of sirup shipped, date of shipment, route, etc., as well as the quantity of cane ground and sugar produced, and the manufacturer of the sugar must keep such sirup and the product distinct from any other and make such additional entries in his books as will enable the Government officers to trace each lot of sugar made to the sirup and to the cane from which it was produced.

In this case the sugar producer's book shall be made to contain additional columns showing the quantity of sirup produced and its average density, the quantity shipped to be worked into sugar, to whom shipped, date of shipment, and route shipped.

The sugar producer must require the factory in which the sirup is worked to furnish him the data necessary to complete his record, so that it will show the quantity of sugar produced at the central factory and the different grades, and the disposition made of the same.

The factory working such sirup into sugar must keep a separate record of its operations on the prescribed form for each person for whom sirup is worked, with such additional columns as may be necessary to show the gallons of sirup received and its average density, and from whom received, date of receipt, and route.

Every producer of sugar from beets is required to provide, at his own expense, a similar book, in which daily entries shall be made showing the quantity of materials used, quantity of sugar produced, etc., according to the form prescribed.

Form No. 293 is prescribed for the form of book to be kept by producers of sugar from beets. Form No. 295 is prescribed for the form of book to be kept by producers of sugar from sorghum or sugar cane.

It should be understood that this office does not furnish the books and that none can be had through internal-revenue officers. Those who are

required to keep the books in the form prescribed have a right to procure them from any source they see fit.

There is no copyright upon books made according to this form. Any bookseller or stationer has general authority to make and keep the books for sale, and can obtain a copy of the form prescribed upon application.

Officers of internal revenue are requested to afford every facility to secure a distribution of these forms among sugar producers, so that they may supply themselves with books printed according to the form prescribed before commencing to manufacture sugar under their license.

These books must be kept at the sugar factory and be always open to the inspection of any revenue officer, and when filled up shall be preserved by the sugar producer for a period of not less than two years thereafter, and whenever required shall be produced for the inspection of any revenue officer.

If the sugar producer, for his own convenience, keeps additional books containing a more extended record of the operations of the factory, they shall also be open to inspection in like manner.

Rule for ascertaining the average density of juice produced at sugar factories during a month or any other given time.

Multiply the quantity in gallons produced each day by the average density for the day, which will give the quantity produced each day in gallons of density of a single degree. Add these quantities, which will give the aggregate production of the month or other period in gallons of density of a single degree. Divide this quantity by the entire number of gallons of juice actually produced during the month or given period, and the quotient will be the average density of the whole quantity of juice produced.

Illustration of the rule.—A factory produces juice of density as follows:

	Gallons.	Density.
October 1	29, 625	6. 6
October 2	30, 750	8. 4
October 12	11, 721	4.
		19

These three days have an aggregate density of 19 degrees, or an average of 6. 33+ daily. If the production of juice had been alike each day, the daily average would be correct for the full amount of juice, but

as there were different quantities of juice produced its average density will be shown by the rule as follows:

	29,625 × 6.6	=195,525	gallons in density of a single degree.
	30,750 × 8.4	=258,300	
	11,721 × 4.	= 46,884	
Total.....	72,096	500,709	

Dividing 500,709 (gallons of density of a single degree) by 72,096 (total number of gallons produced) we find the average density of the juice produced to be 6.945+.

MONTHLY RETURNS.

Every producer of sugar from sorghum or sugar cane is required to make a monthly return, in duplicate, on Form No. 296, stating the quantity of materials used for the production of sugar, the quantity and kind of sugar produced, the quantity shipped or removed, the serial numbers of the packages, and the name and address of the consignee or person to whom the goods were shipped, sold, or disposed of.

Producers of sugar from beets will make a similar return on Form No. 294.

The return is to be taken from the sugar producer's books, and is to be rendered to the collector on the first day of each month, or within five days thereafter, verified under oath or affirmation by the sugar producer or principal manager of the factory.

The sugar producer who buys cane sirup and makes it into sugar must obtain a return from the person from whom the sirup was purchased, taken from his books, showing the quantity of cane cut and the quantity of sirup made, to whom delivered, and date when delivered, which shall accompany his own return to the collector.

The collector will examine the return upon the receipt thereof, and, if it fulfills the requirements and needs no correction, he will forward one copy to the Commissioner of Internal Revenue, retaining the other.

The monthly return must be made while any sugar remains in the factory, although the only items to be returned may be those which relate to the shipment or removal of the sugar.

If, at the close of the month for which the return is made, the factory is in active operation, an estimate must be made of the amount of sugar which is in process of manufacture, and the amount entered in the return in the proper place. This estimate shall be made as accurately as possible, and based upon the average yield for the season or preceding season. It should include all sugars not packed.

Sugar producers who have closed their factories for the season, and have no sugar on hand which has not been weighed and sampled, ex-

cept thirds or wagon sugars, which are to be kept over until the beginning of next season to be worked into sugar, need not be required to make monthly returns during the interim while the factories are not in operation.

The final return of the season should have a statement written across the face substantially as follows:

All work ceased in factory on ——— (giving date). Have on hand in ——— (designate where, as in hot rooms, for instance) ——— cars (designate kind and number of receptacles, cars, wagons, or tanks) of second, third, or string sugars, estimated at ——— pounds of sugar, in process of manufacture. Process to be completed next season.

ANNUAL RETURNS.

An annual return will be required from each producer of sugar from beets, sorghum, or sugar cane at the close of the fiscal year, giving a complete summary of the year's operations in addition to the regular monthly returns.

This return will be made to the collector of internal revenue immediately after the first of July of each year, in duplicate, on Form No. 297.

The annual return of sugar producers (Form 297) may be made at any time before the first of July, if operations for the fiscal year have been completed.

RELATIVE TO LOW GRADE PRODUCTS OR WAGON SUGARS KEPT OVER TILL THE FOLLOWING SEASON.

If the sugar producer, at the close of operations for the season, desires to keep the low grade products or material in process of manufacture over until the beginning of the following season to be worked into sugar under a new license, he will be allowed to do so upon complying with the following requirements: The amount of material shall be accurately ascertained and the quantity entered in the sugar producer's book and reported on Form No. 294 or Form No. 296, as the case may be, as in process of manufacture. The material shall be placed in tanks or other receptacles, and an inventory of the same furnished to the inspecting officer, who will verify the same and file it with the collector of internal revenue.

This material may be worked up either before the next grinding season commences, or in connection with the new crop, as the producer prefers. In either case the producer must notify the collector in advance of his intention, in order that the factory may be officially inspected.

Materials which have been offered for sampling and weighing shall be considered out of process and completed, and it shall be unlawful to further manipulate them in any manner on the premises of the sugar producer.

The factories will be again inspected before they commence operations the following season, and the officer assigned to the work will see that the material then on hand corresponds with the amount left over at the close of the previous season.

Beet-sugar factories holding molasses over from one season to another will be required to so arrange their molasses tanks that they will be in a room or building where they can be securely locked and sealed.

RELATIVE TO THE MANUFACTURE OF SIRUP INTO SUGAR BY CENTRAL FACTORIES FOR LICENSED SUGAR PRODUCERS.

Where a sugar producer has obtained a license to produce sugar under the provisions of the act of October 1, 1890, and where he states in his application that he proposes to make sirup only in his own factory, having the sirup thus made by him under his license manufactured into sugar at a central factory for his account, he retaining the ownership thereof and paying toll for the manufacture, the owner of such central factory shall not be authorized to manufacture for the sugar producer until he has complied with the following requirements:

The owner of such central factory shall file with the internal-revenue collector of the district a notice in duplicate stating the business to be carried on and giving a description of the machinery and method of manufacture, with an estimate of the amount of sugar proposed to be made for licensed producers, on Form No. 287, the same as is required in the case of applicants for license, one copy to be retained by the collector and the other to be forwarded by the collector to the Commissioner of Internal Revenue. The owner of such central factory shall also file with the said notice and statement a declaration submitting all the operations of the factory to the supervision and control of the Internal-Revenue Bureau.

The owner of such central factory shall, before beginning operations, notify the internal-revenue collector of the district, and such factory shall be inspected and be under the control of the Commissioner of Internal Revenue, and subject in all respect to the rules and regulations prescribed by the Treasury Department in the case of sugar producers. Such central factory shall be treated and considered as a part of the sugar factory of the licensed sugar producer and shall be subject at all

times to inspection by internal-revenue officers. The owner shall keep the books required of sugar producers, showing from whom sirup has been received for manufacture, the route by which such sirup was received, and the number of gallons of such sirup and its density. The said book shall also show the time, place, and manner of shipment of said sirup, and contain all the items in regard to the production and shipment of sugar and molasses required to be entered by the sugar producer in his book, kept according to the prescribed form, No. 295. The owner of the central factory shall keep this book as nearly as may be according to the form prescribed for producers of sugar from sorghum or sugar cane (Form No. 295), making such changes in the headings of columns as may be necessary to comply with the foregoing regulations.

Such central factory shall not be used in refining imported or bounty-paid sugars during the period that it is being operated for licensed producers.

A failure on the part of the owner of such central factory to comply with these requirements will be sufficient cause for withholding bounty on the sugar produced.

The owner of such central factory manufacturing sugar for others only and not owning any of the sugar manufactured at such factory and not being entitled to the bounty thereon will not be required to furnish a bond or procure a license.

REFINING SUGAR AT THE PLACE OF PRODUCTION.

The law provides that no bounty shall be paid to any person engaged in refining sugars which have been imported into the United States or produced in the United States upon which the bounty has already been paid or applied for.

It further provides a severe penalty for refining sugar imported into the United States or upon which the bounty has been paid or applied for at the place described in the license.

A sugar producer can refine his own product on his factory premises when the refining is done as a continuous process. Then it is a part of the process of manufacture, and the bounty is payable on the refined product.

If the sugar is not refined in this way as a part of the original process, the refining must be carried on at a separate place.

If a sugar producer desires to refine his product and engage in refining sugars generally, the building used for refining must be located on separate premises from the sugar factory. There shall be consider-

able distance intervening between the sugar factory and the building where refining is carried on, the distance to be determined by the circumstances of each case.

The buildings must be entirely distinct, with no communication between them by any covered passageways, tramways, or shutes. This will not be held to prevent the conveyance of steam power to the refinery from the adjoining premises.

If the refinery is on premises adjoining the factory, there must be no refining of foreign sugars carried on during the time the sugar factory is in operation, and no foreign sugars must be received upon the premises until the sugar factory has closed operations.

The sugar producer or other person intending to establish a refining establishment on premises adjoining the place described in the license issued by the Commissioner for the manufacture of sugar must furnish this office with an accurate plan and description, in duplicate, of the buildings and premises of the factory and of the proposed refinery, showing the size of the buildings, the distance between them, the machinery connection, and the place where the sugar will be stored before and after being refined, which copies shall be furnished the collector of internal revenue. The accuracy of the plan and description must be verified by the draftsman and the sugar producer.

One of said plans is to be kept by the collector and the other transmitted to the Commissioner of Internal Revenue.

Authority must first be obtained from the Commissioner to establish such refinery if the building is to be located upon the same plantation as the factory, or premises adjoining, and such refinery shall be under the supervision of internal-revenue officers in like manner as the factory. Access to the building or buildings used for refining or storing the sugar shall be furnished to the proper officers, and the books showing the operations of the refinery shall be open to their inspection at all times, and it shall be the duty of the refiner, on demand of any internal-revenue officer, to furnish a true and complete statement verified by oath, of the receipts of sugar, with the name and residence of the person from whom the sugar was received, and of all his sales of sugar, with the name and residence, in each instance, of the person to whom it is sold and the place to which it is shipped.

WEIGHING SUGAR. DEPUTY COLLECTORS TO BE ASSIGNED TO DUTY AS WEIGHERS.

Collectors of internal revenue will appoint and commission as deputy collectors a sufficient number of suitable and competent persons to

weigh and mark packages of sugar at the place of production or at the designated places for weighing, to be compensated for their services by such allowances as shall have been previously made by the Secretary of the Treasury, upon the recommendation of the Commissioner of Internal Revenue.

For this purpose each collector in whose district sugar is manufactured will, prior to the date when such deputies will be needed, forward to this office a detailed estimate of the number of persons that, in his opinion, will be required, the length of time they will be on duty, the rate of compensation to be paid, and the amount of expenses they will necessarily incur in traveling from one place of duty to another.

Such deputies will be paid by the collector monthly on Form 63½, as in other cases, and the amount needed therefor shall be included in the collector's monthly estimate on Form 42, after he has been notified of the allowance for this purpose.

They must take the prescribed oath before entering upon duty, and give bonds in such an amount as the collector may require, conditioned that they will faithfully perform the duties of their office. They will be entitled to compensation only for the time they are actually employed in the performance of official duties.

Persons appointed to this office should inform themselves fully respecting the duties thereof before commencing work. They must not be interested, directly or indirectly, in buying or selling sugar, or in the production thereof.

The collector will be held responsible for any loss to the Government arising from the default or wrongful act of such deputies to the same extent that he is liable for the acts of his other deputies, and will exercise the same control over them that he has over any other of his deputies.

Collectors will make a report to the Commissioner every month at the close of the month, giving the names of all persons appointed and on duty as deputy collectors and weighers in his district with date of appointment, the number of days they were on duty, and the quantity of sugar weighed by each, with the number and kind of packages.

DUTIES OF WEIGHERS.

It will be the duty of deputy collectors assigned to duty as weighers under the instructions and directions of the collector to weigh each package of sugar upon which bounty is to be claimed, and mark upon it its gross weight, tare, and net weight; to mark the packages with their name and title, and district; to indicate the packages from which

samples are to be taken; to keep an accurate account of the packages weighed, and the weight of each, and the packages sampled, and the producer's name, and to report their action on the prescribed form.

The weigher at the time of weighing the sugar will mark in a durable manner in plain figures on the head of each package, unless the same have been correctly marked thereon by the producer, the gross weight, tare, and net weight.

Each weigher will also mark the packages weighed with his name, title, and district.

When sugar is put in bags the bags must be marked in the same manner as wooden packages as far as practicable.

The marking of packages may be done by a person other than the weigher, under the direct personal supervision of the weigher, but the handling of the beam and taking of weights must be done by himself.

WEIGHING INSTRUMENTS.

Weighers will be furnished through the collector with the necessary implements for weighing and marking packages.

Each weigher must have his weighing instruments tested and compared with the United States standard at least once a year at the commencement of the sugar season, and as often as may be necessary to keep the same in conformity to the United States standard, and all scales used for weighing sugar for bounty purposes must be so tested.

Weighers will be held responsible for the proper care and safekeeping of the implements in their possession.

Collectors will make requisition to this office promptly for the scales, beams, weights, and other weighing apparatus required in their respective districts.

TARE.

In the case of open kettle sugar in hogheads the net weight will be ascertained by deducting twelve (12) per cent. for tare from the gross weight.

Whenever a weigher has reason to believe that the actual tare is greater than the tare according to this rule he will empty as many hogsheads as may be necessary, and weigh the same, to ascertain the actual tare.

In the case of sugar in barrels or bags or of centrifugal sugar packed in hogsheads, actual tare shall be taken. The empty packages must be weighed by the sugar producer before the sugar is put up and the weight of the packages marked thereon.

The weigher shall from time to time and as often as necessary verify these figures, and empty as many packages as may be necessary, and weigh the same, to ascertain the actual tare.

In the case of open kettle sugar put up in barrels, the actual tare of the packages shall be taken—that is, the packages must be weighed before they are filled, and weighed after they are filled.

In computing tare, if the fraction is one-half pound or over it shall be called one pound; and if less than one-half it shall be disregarded.

In the case of hogsheads of sugar partly filled, the net weight will be ascertained by deducting the average tare of the full packages of the lot.

Whenever the weigher finds packages broken, wet, muddy, or for any cause not in proper condition, he will, unless the same are put in proper condition, report the fact to the collector or deputy in charge, who will, after investigation, direct what allowance shall be made for tare, and such directions, in writing, shall be filed with the weigher's return which is transmitted to the Commissioner of Internal Revenue.

WEIGHER'S BOOKS AND RETURNS.

Weighers will be furnished by collectors with proper blank books (Book No. 74), in which they are required to make true and correct entries of sugar weighed at the time of weighing.

The books must be kept in such manner that they will contain all the specifications necessary to a complete account of the sugar weighed.

The weigher must enter therein the name of the producer, the serial number of the package, the gross weight, tare, and net weight of each separate package, and totals of each lot, the number of the lot, the quality or grade of the sugar, the date of weighing, and number of his return. He must add the number of packages and weights in each column of his book, and enter totals at the foot of each column, and at the end of the entries make a recapitulation of the total number of packages, gross weights, tare, and net weights of each lot. The book must be kept so as to show the number of packages weighed each day.

A certificate must be made at the end of the entries showing that it is the official record of the weigher, and his signature should be attached.

The book must then be delivered to the collector for examination and file. The collector will carefully examine the weigher's books before filing, and verify the computations to satisfy himself that they are correct.

In the case of sugar packed in hogsheads, the weighers may omit to mark upon each hogshead and to enter in their Book No. 74 the tare and net weights; and they may mark and enter only the gross weights of the packages.

The weighers will enter in Book No. 74 the aggregate gross weights, the tare and the net weight of each lot.

Weighers will make returns in triplicate on the prescribed form, giving the aggregate of sugar weighed for each producer, the three copies to be delivered to the collector of internal revenue. The collector will examine these returns carefully upon their receipt and compare them with the detailed record of sugar weighed—Book No. 74. If found to be correct they will be delivered to the inspector who is to make the classification. After the inspector has made his report on the prescribed form attached to the weigher's return, the collector will transmit one copy to the Commissioner of Internal Revenue, retain one on his files, and deliver one to the sugar producer or his agent. The weigher's returns, Form No. 316, with the weigher's books, will be sent directly through the proper channel to the classifying inspector at the same time with the sample of the lot or lots described in the returns. Each weigher must number his returns consecutively, commencing each season with No. 1.

The collector can direct the weigher to turn over his returns and the weigher's book directly to the inspector or other officer who is to make the classification when, in the opinion of the collector, the circumstances render such action advisable or more likely to facilitate operations, and in such cases the inspector will complete the papers by adding his report and deliver all the papers to the collector.

WEIGHING SUGAR AT DESIGNATED CENTRAL PLACES.

The sugar will be weighed by weighers stationed at such central places as may be designated by the Commissioner of Internal Revenue or at the place of production by resident weighers or weighers located in the vicinity. Collectors will notify sugar producers where weighers are to be stationed and where sugars may be sent to be weighed and inspected.

If the sugar producer intends to ship sugar to a designated central place where a weigher is stationed he will give notice to the collector of internal revenue, stating his intention to do so, in what manner and to whom, specifying the kind and number of packages, the number of the lot, the serial numbers, the marks, the kind of sugar, and the weight, if it has been weighed.

This notice may be written or printed, and may be in the following form:

*Sugar producer's notice of intention to ship sugar, and application for weighing and inspection.**

———, ———, 189—.

To ——— ———, Esq.,
Collector Internal Revenue.

SIR: You are hereby notified that the following-described packages of sugar produced by me at my Factory, License No. ——, upon which bounty will be claimed, are intended to be shipped to ——— on board the ———, at ———, consigned to ——— ———, on the ——— day of ———, 189—, and I request that the same may be weighed and inspected upon notice by the consignee of its arrival.

Kind and number of packages.	Kind of sugar.	No. of lot and serial Nos.	Weight.		Remarks (polarization, if polarized.)
			Gross.	Net.	
			Lbs.	*Lbs.*	

———— ————,
Sugar Producer.

NOTE.—If shipment is to be by cars, give name of railroad company and route; if by steamer give the name.

Under the heading "Kind of sugar" will be given not only the commercial designation of each kind of sugar, but also the designation based on the mode of manufacture, as "open kettle," "firsts," "granulated seconds," "seconds," etc.

When the sugar has arrived at its destination the consignee shall immediately notify the collector and furnish him with a copy of the bill of lading.

The notice shall specify the packages as shown by the serial numbers and marks, and shall be in the following form:

FORM 299.

United States Internal Revenue.

Consignee's notice of arrival of sugar, and application for weighing and testing.

(Bill of lading to be inclosed.)

———, ———, 189—.

To ——— ———, Esq.,
Collector of Internal Revenue, —— Dist. of ———.

SIR: You are hereby notified that the following-described packages of sugar, upon which bounty is to be claimed, produced by ———

*This office does not furnish any printed forms for this notice.

———, License No. ——, at his factory, at ——— Plantation, ——— Parish, were shipped on the —— day of ———, 189—, on board the ——— from ——— according to the inclosed bill of lading, dated ———, 189—, consigned to me, and have been received at ———, and I request that the same may be weighed and inspected.

Kind and number of packages.	Kind of sugar.	Reported net weight, pounds.	Marks.	No. of lot.	Serial Nos.	Remarks.

——— ———,
Consignee.

Upon receipt of the application of the producer and the consignee's notice of arrival of the sugar, the collector will issue an order to the weigher directing him to weigh and mark the packages therein described, delivering to the weigher the notice of the consignee, which order will be in the following form:

Collector's instructions to deputy collector to weigh sugar at central place.

(To be returned to collector and filed with the weigher's report.)

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
——— *District of* ———,
To ——— ———, ———, 189—.
Deputy Collector.

You will proceed to weigh and mark, according to the regulations, ——— packages of sugar, produced by ——— of ——— Plantation, License No.———, shipped by him to *———, and described as follows in bill of lading dated———, 189—, and Notice of Consignee, dated ———, 189—.

Samples for determining the classification will be taken at the time of weighing.

You will make your return on the prescribed form with these instructions attached thereto.

Kind and number of packages.	Kind of sugar.	No. of lot.	Serial numbers.	Remarks.

——— ———,
Collector.

* Here insert name of consignee.

Upon the receipt of this notice, the weigher will proceed to make an examination of the packages and see that they are identical with those named in the notice of the consignee. He will also make the necessary examination to see that the packages have been properly marked by the producer and that everything is regular. Any irregularity will be reported to the collector.

He will weigh each package separately and ascertain the gross weight, tare, and net weight, and mark the packages as required by the regulations, reporting his action on the prescribed form in triplicate.

WEIGHING SUGAR AT THE PLACE OF PRODUCTION.

The collector will be authorized to locate weighers at as many convenient points in his district as he may deem necessary, subject to the approval of the Commissioner, to weigh sugar at the place of production.

Deputy collectors will be designated by the collector for this duty with reference to the convenience of producers and the prompt and economical performance of the work.

1. *When there is no weigher stationed at the factory.*

If the sugar producer does not desire to ship the sugar to a central place where a weigher is located, but desires to remove it from the factory for shipment to other points, or for sale at local points, or for consumption, or for storage in a warehouse, in case there is no weigher stationed at the factory, he will make application to the collector or division deputy collector, or the deputy collector assigned to duty as weigher in the division in which his factory is located, to have it weighed at the place of production.

Such applications will be made in duplicate, one copy to be forwarded to the collector with the weigher's return and the other retained by the weigher.

The application should be in the following form:

FORM 300.

United States Internal Revenue.

Sugar producer's notice and application for weighing sugar at factory.

(To be made in duplicate.)

——— ———, 189—.

To ——— ———, Esq.,

Collector Internal Revenue.

SIR: You are hereby notified that the following-described packages of sugar produced by *———, ——— Post-office, ——— Parish, at

*In case of a firm state name of firm.

——— Plantation, at Factory License No. ———, upon which bounty will be claimed, are intended to be removed from the factory for *———, and I request that the same may be weighed and inspected at the factory.

Kind and number of packages.	Kind of sugar.	No. of lot.	Serial Nos.	† Weight.		Remarks.
				Gross.	Net.	
				Lbs.	*Lbs.*	

———— ————,
Sugar Producer.

*For shipment to ———, for storage at ———, or for consumption, as the case may be.
†If the sugar has not been weighed this column can be left blank.

The collector's order to the weigher will be in the following form:

Collector's instructions to deputy collector to weigh sugar at the factory.

(To be returned to the collector and filed with the weigher's report.)

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
——— District of ———,
———— —, 189–.

To ———— ————,
Deputy Collector.

SIR: You will proceed to the factory of———, at ——— plantation, and examine, weigh, sample, and mark, according to the regulations, ——— packages of sugar produced by him and intended to be removed for ——— and described as follows in his notice dated ———, and make your return in triplicate on the prescribed form attached to this order:

Kind and number of packages.	Kind of sugar.	No. of lot.	Serial Nos.	Reported net weight, pounds.	Remarks.

———— ————,
Collector.

Upon the receipt of this order, the officer will proceed to the factory and weigh, sample, and mark the packages, after making such exam-

ination as may be necessary to identify the packages with those described in the sugar producer's notice, and to satisfy himself that the requirements of the regulations have been complied with, reporting on the prescribed form, as in the case of sugar weighed at a central place.

2. *When a weigher is stationed at the factory.*

If there is an officer stationed at the factory to weigh sugar, no written or printed notice of intended shipment or application for weighing is required. Such officer will weigh the sugar whenever it is to be removed from the factory, making reports on the day of weighing on the prescribed form.

Such officer will be furnished by the sugar producer with duplicates of all bills of lading, which he will forward to the collector of internal revenue.

He will also see that the producer states the correct weight of empty packages; and if he has reason to believe that this is not the case he will empty a sufficient number and ascertain their weight, or oversee the weighing of the empty packages.

This officer is required to carefully observe the operations of the factory, and if any irregularity or violation of the regulations is observed, to report the same to his superior officer or to the collector of the district.

SAMPLING SUGAR AND ITS CLASSIFICATION.

1. *Sampling at central place.*

Samples must be taken at the time of weighing by a deputy collector or other officer acting under instructions of the collector.

The weigher and sampler will act in coöperation, and the serial numbers of the packages from which samples are taken will be indicated by the weigher on his book, Form 74.

Of open kettle or other sugars packed in hogsheads, belonging to the same lot, 50 per cent., or every other package, shall be sampled. Of centrifugal sugars packed in barrels, if "second" or "third" sugar, or any sugar not grained in a vacuum strike pan, 25 per cent., or every fourth package, shall be sampled; if "first" or "cut second" sugar, 10 per cent., or every tenth package, shall be sampled, unless the lot contains less than ten packages, when 25 per cent., or every fourth package, shall be sampled. Of sugar packed in bags, 5 per cent., or every twentieth package, shall be sampled.

The collector will indicate in writing on the order to the weigher what packages are to be sampled, whether even or odd numbers, as

follows: "Sample 25 per cent., alternate even (or odd) numbers;" "sample 50 per cent., even (or odd) numbers," as the case may be, the collector varying the order in his discretion.

The sample packages shall be selected in regular order as numbered, as, for example, when 25 per cent. is to be sampled, serial Nos. —— 2 —— 6 —— 10, etc., or Nos. —— 1 —— 5 —— 9, etc., will be taken, according as the alternate even or odd numbers are designated by the collector. When 50 per cent. is to be sampled, serial Nos. —— 2 —— 4 —— 6, or Nos. 1 —— 3 —— 5, etc., will be taken, according as the even or odd numbers are designated by the collector.

Samples will be drawn from the packages by means of triers. The form of instrument and the manner of using the same will be prescribed, from time to time, by the Commissioner of Internal Revenue, and will vary according to the nature of the package and the character of the sugar.

The samples as drawn shall be placed in the tin boxes provided for this purpose, each box being entirely filled, except in case of dry or "first" sugar in lots exceeding 50 barrels.

In lots exceeding 50 barrels of "first" sugar, only one short trierfull from each barrel sampled need be taken. In lots of 50 barrels or less, enough sugar shall be taken from each barrel sampled to fill a tin sample box.

The boxes will be properly labeled for identification and conveyed to the examining room in chests securely locked.

In cases where only the samples from the same lot of sugar are placed in one chest and the chest is properly labeled, it will not be necessary to label each tin sample box. Where the chest contains samples of more than one lot, each box must be properly labeled for identification. The weigher will deliver the chest containing the samples of the sugar weighed to the classifying inspector, and at the time of such delivery he will hand him the triplicate returns, Form No. 316, and the weigher's book covering the lot represented by the samples contained in the chest. The inspector will not receive the samples without the returns and books, nor the books or returns without the samples of the sugar covered by the same. When the weigher delivers a chest of samples and the returns relating to the same, he will not leave the examining or classification room until the samples and returns have been so checked as to satisfy the inspector that the chest contains only the samples of the sugar described in the returns, and in case the returns and weigher's book do not seem to correspond with the contents of the

chest the inspector will decline to receive the papers and samples and immediately report the fact to the collector or proper revenue agent.

The samples will be examined as soon as possible after reaching the examining or classification room, and to this end all the samples from the different packages of each lot will be mixed thoroughly, and the classification based upon the general sample thus obtained.

The classification of the sugar will be made by the inspector in charge of the examining or classification room.

A polariscopic test will not be necessary in all cases in order to determine the classification. In many cases the inspector will be able to decide that certain sugars of a high grade will test over 90° without using a polariscope.

All "second" or "third" sugars, including all sugar allowed to grain in wagons, as well as all "open kettle" sugar, and sugar made in any other way than in a vacuum strike pan, will be subjected to a polariscopic test and classified according to the indication of its saccharine strength as obtained thereby.

Whenever there is, from any reason whatsoever, any doubt in regard to a sample of high grade sugar polarizing 90 per cent. or more, a polariscopic test shall be made and the classification based upon the result of the test.

If it is decided that a polariscopic test shall be made, two of the tin sample boxes shall be filled with it, properly labeled, and one sample shall be transmitted to the laboratory for test with as little delay as possible, and one sample will be held in the examining room until the final classification is determined.

The polariscopic tests shall be made in duplicate only in cases where a single analysis gives a result which falls within the following limits, viz, less than 92 degrees and more than 88 degrees or less than 83 degrees. In such cases another test shall be made by a different expert. In case the results of the two separate tests agree within three-tenths of a degree (.3 per cent.) the average of the two shall be accepted as the basis of classification. In case the results do not agree within three-tenths of a degree (.3 per cent.) a third test of the sample shall be made, and of the three tests thus made, the average of the two most closely agreeing shall be accepted as the basis of classification, *provided* the said last-mentioned tests agree within three-tenths of a degree (.3 per cent.).

When two of the three tests thus made do not agree within three-tenths of a degree (.3 per cent.) a fourth test of the sample shall be

made, which shall be subject to the same provisions as hereinbefore stated with reference to the preceding tests.

Laboratories will be established at all central places where sugar is weighed, and samples of sugar which require a polariscopic test to determine their classification will be tested by experts in the use of the polariscope. The officer in charge of the laboratory shall report the polariscopic tests to the inspector in charge of the examining room on the prescribed form (Book No. 76).

The inspector will report on Form No. 317, in triplicate, the three copies to be delivered to the collector of internal revenue, one copy to be sent by the collector to the Commissioner of Internal Revenue, one to be retained by the collector, and one delivered to the sugar producer, or his agent.

He will also keep a record, Book 77, showing the producer's name, number of lot, etc., for each sample of sugar, the date of inspection and the polariscopic tests.

2. *Sampling at place of production.*

When the weighing and inspection of sugar is performed at a factory where a weigher is stationed, samples will be taken by him in the sugar bin or mixing room before the sugar is barreled. Such officer will, after he has ascertained that a lot of sugar has been thoroughly mixed, and that it is of a uniform grade, either all from one "strike" or from not more than three different "strikes" of first, second, or third sugar, as the case may be, obtain a general sample representing the entire lot or heap of sugar by taking from three to five separate portions of about a pound each from different parts of the heap, drawing them from below the general surface of the heap. These portions will be mixed together, and two sample boxes filled with the general sample thus obtained. These boxes will be properly numbered and labeled, one used by the officer to determine the proper classification of the sugar, and one kept under seal at the factory. The sample will cover all the sugar in the lot or heap, and the officer will enter it upon his books in connection with the packages in which the sugar is packed, taking proper care to make certain that this sugar and no other is placed in the packages included in the lot.

Especial care shall be taken in sampling low-grade sugars, "wagon sugars," "third sugars," etc., in order to obtain a representative sample, and the officer may insist upon a thorough mixing of the sugar in the bin before drawing the sample. If, for any reason, it is impracticable to sample in the bin, or if the mixing is not done to the satisfaction

of the weigher, he may take samples from the packages while they are being filled. To do this the same quantity shall be taken from each package and placed in a covered receptacle. When all the packages in a lot have been sampled in this way, the whole should be thoroughly mixed and a general sample obtained to represent the lot, from which the two sample boxes will be filled as indicated above.

When the weighing and sampling of sugar is performed at a factory where there is no resident weigher, such officer being deputed to visit the factory for the purpose of weighing and inspecting sugar upon notification of the producer, samples will be taken from the packages after they are packed and weighed in the same manner as prescribed above under the head of "Sampling at central place," using such triers as may be prescribed. The weigher will perform the mixing himself, and fill two sample boxes from the general sample obtained. If it is more convenient, samples may be drawn from the open packages before heading up, and the weigher must not leave the factory until all the packages are headed up.

When sugar is weighed at the place of production, the triplicate daily returns, Form No. 316, the weigher's books, and the samples of the lots covered by the same will from day to day be placed in the sample chest and the chest locked, the key remaining in possession of the weigher.

Before forwarding the chest to the collector, the weigher will see that it contains no samples not covered by the proper returns and books, and no returns or books not represented by the proper sample.

When the chest containing samples and returns and books is forwarded, a letter of advice, on Form 319, should be forwarded through the mail to the collector, advising him of the shipment, giving the name of the producer, the lot number and the serial numbers of each lot, and means of transportation.

GENERAL PRECAUTIONS TO BE OBSERVED IN SAMPLING.

Great care will be taken, in all operations connected with the sampling of sugars, to prevent, as far as possible, any drying out of the samples. The samples taken from packages shall be transferred as quickly as possible to the tin sample boxes, and the latter covered immediately. When these samples are mixed for the purpose of obtaining a general sample, the operation shall be rapidly performed, and under conditions that tend to prevent evaporation of moisture, so far as practicable.

All samples which are sent by express or mail must be sealed with paraffin, in the manner prescribed below.

Proper judgment will be exercised by weighers stationed at factories in regard to sending samples to the collector. Samples must not be held longer than five days at most. If sufficient have not accumulated in that time to warrant sending a chest by express the weigher may send them by mail to the collector, together with the returns belonging to them.

All operations connected with the sampling of sugar must be performed by the weigher, or under his immediate supervision.

A *lot* comprises a number of packages of sugar which is all of the same grade, so that all may properly be represented by one general sample. Weighers must see that these conditions are fulfilled, and make such subdivisions as may be necessary to accomplish it. When sugar is sampled at the factory each strike shall constitute a lot, but as many as three strikes of dry sugar may be included in one lot if all are of a uniform grade and are thoroughly mixed in the sugar bin before being packed. If more convenient, lots may be made to cover a certain number of packages, and in this case not more than two hundred barrels or bags of dry sugar shall be included in one lot, and not more than one hundred and fifty barrels or bags of low grade, or "wagon" sugars. Of open-kettle sugar packed in hogsheads not more than fifty shall be included in one lot.

PRESERVATION OF SAMPLES OF SUGAR.

Whenever samples of sugar are to be kept for any length of time, or transported from one place to another, they must be guarded against loss or gain in moisture. This may be accomplished by pasting a strip of paper around the edge of the top of the tin box containing the sample, in such a manner as to completely cover the joint between the lid and the body of the box. The strip is then to be coated with melted paraffin, in order to prevent the access of air to the contents of the box. Wide-mouth bottles with ground-glass stoppers may be used for the preservation of samples in lieu of the tin box closed with paraffin. When such samples are to be kept under seal they shall, in addition to being closed air-tight with paraffin, be encircled with string or tape, and the knots sealed with sealing wax, upon which some identifying mark is made while soft.

SAMPLING INSTRUMENTS AND TRANSPORTATION OF SAMPLES.

Where sugar is weighed and sampled at a central place, the necessary sampling instruments, boxes, chests, etc., will be supplied to collectors

upon their requisition made to the Commissioner of Internal Revenue. Where sugar is weighed and sampled at the place of production, the producer must furnish the necessary instruments, boxes, chests, etc., and must bear all the expenses incurred by the weigher in sending the samples to the examining room at whatever place the sugar is classified.

SPECIAL ARRANGEMENTS FOR THE SAMPLING AND CLASSIFICATION OF SUGAR.

In the case of isolated factories special arrangements for the sampling and classification of the sugar may be made by the Commissioner of Internal Revenue.

INSPECTORS.

The Commissioner of Internal Revenue is authorized to appoint twelve inspectors. Their duties, which will be performed under the general direction of the Commissioner, will be to inspect sugar upon which a bounty is claimed, and to aid in ascertaining the amount of bounty due. They will be required also to perform such other duties in connection with the internal-revenue service as the Commissioner may direct.

They will have general supervision over the weighing of sugar, and taking of samples to determine the classification, and for the polariscopic test.

INSPECTORS' REPORTS AND BOOKS.

Inspectors will keep an accurate account of the packages inspected and the marks thereon, the producer's name, and the polariscopic test, and make a report of their action on the prescribed form on the day of inspection, or as soon thereafter as practicable.

Inspectors will keep a record of all sugar inspected in book, Form No. 75, which will be furnished by the Commissioner of Internal Revenue. When the book is full, a certificate must be made at the end of the entries showing that it is the official record of the inspector, and his signature shall be attached. The book must then be forwarded to the Commissioner of Internal Revenue to be filed in his office.

INSPECTORS IN CHARGE OF THE EXAMINING OR CLASSIFICATION ROOM.

The inspector in charge of the classification of sugar will mark upon each return, Form No. 317, at the time the sample is examined, the grade of sugar, the date of classification, whether passed upon without a polariscopic test, and if sent to the laboratory for polariscopic test he will mark thereon the laboratory number of the sample and the

date of sending it to the laboratory. The classifying inspector will hold all returns, Forms 316 and 317, for which no samples have been received until the proper samples are received, and will hold all samples for which no returns have been received until the proper returns have been received. In case of missing sample or return, notice will be immediately given to his chief, who will make immediate demand upon the weigher for the missing return or sample.

PROPER ARRANGEMENT OF LABORATORIES.

Plans for permanent laboratories for the testing of sugar must be approved by the Commissioner of Internal Revenue. In cases where a temporary laboratory is established, as, for example, at a sugar factory during the manufacturing season, the following general directions will be observed, as far as practicable :

The room used for the purpose shall be one that is as far removed as possible from the vibration of machinery; it must be well lighted and have some means of artificial heating, so that the temperature may be controlled, and shall not be too near steam boilers, furnaces, flues, or any source of heat which can not be controlled. The polariscope shall be placed in the darkest part of the room, and this part of the room may be darkened, if desired, by curtains or hangings. In no case, however, shall the polariscope be entirely separated from the room in which the rest of the work is performed, as the solutions must be made up and polarized at the same temperature. The lamp used for the illumination of the polariscope, on the other hand, must be separated from the instrument, as its heat tends to increase the temperature of the room and cause it to vary from time to time. The separation of the lamp from the instrument will be best accomplished by means of a board partition, making a separate compartment for the lamp, which may have its own window or opening for ventilation. The partition must be perforated with an opening just large enough for the passage of light to the instrument. If a separate compartment for the lamp can not be made, a wooden screen may be used, perforated in a proper manner, and placed on the table between the instrument and the lamp.

The table upon which the polariscope stands must be level, and the instrument itself must not be near any source of heat, and must not be exposed to the direct rays of the sun.

INSTRUCTIONS RELATIVE TO THE USE OF THE POLARISCOPE IN TESTING SUGAR UPON WHICH A BOUNTY IS TO BE CLAIMED.

DEFINITION OF THE WORD "DEGREE" AS IT OCCURS IN THE ACT.

The expression "testing * * * *degrees* by the polariscope," occurring in paragraph 231 of the act, is construed to mean the *percentage* of pure sucrose contained in the sugar, as ascertained by polarimetric estimation. Until further notice the degree of the "Ventzke scale," as hereinafter defined, will be considered as indicating the correct percentage of sucrose, in the form of instrument used by this office in testing sugar. The Ventzke scale is hereby defined to be such that *one degree of the scale is the one-hundredth part of the rotation produced in the plane of polarization of white light in a column* 200 *millimeters long, by a standard solution of chemically pure sucrose at* 17.5° *C. The standard solution of sucrose in distilled water being such as to contain, at* 17.5° *C. in* 100 *cubic centimeters,* 26.048 *grams of sucrose.*

In this definition the weights and volumes are to be considered as *absolute*, all weighings being referred to a vacuum.

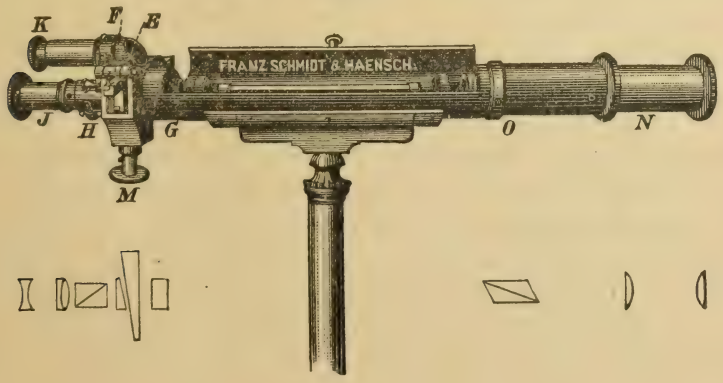
DIRECTIONS FOR THE POLARIZATION OF SUGAR.

The following directions for the use of the polariscope in testing sugar are based upon the recommendations in a report made to the Commissioner of Internal Revenue by a commission consisting of the Chemist of Internal Revenue, the Chief Chemist of the Department of Agriculture, and the Assistant in charge of Weights and Measures, Coast and Geodetic Survey. The prescribed course of procedure will be closely adhered to in all tests of sugar under the provisions of law relative to bounty.

Description of instrument and manner of using.

The instrument employed is known as the half shadow apparatus of Schmidt and Haensch. It is shown in the following cut:

Fig. 1.



The tube N contains the illuminating system of lenses and is placed next to the lamp; the polarizing prism is at O, and the analyzing prism at H. The quartz wedge compensating system is contained in the portions of the tube marked F, E, G, and is controlled by the milled head M. The tube J carries a small telescope, through which the field of the instrument is viewed, and just above is the reading tube K, which is provided with a mirror and magnifying lens for reading the scale.

The tube containing the sugar solution is shown in position in the trough between the two ends of the instrument. In using the instrument the lamp is placed at a distance of at least 200^{mm} from the end; the observer seats himself at the opposite end in such a manner as to bring his eye in line with the tube J. The telescope is moved in or out until the proper focus is secured so as to give a clearly defined image, when the field of the instrument will appear as a round, luminous disk, divided into two halves by a vertical line passing through its center, and darker on one-half of the disk than on the other. If the observer, still looking through the telescope, will now grasp the milled head M and rotate it first one way and then the other, he will find that the appearance of the field changes, and at a certain point the dark half becomes light and the light half dark. By rotating the milled head delicately backwards and forwards over this point he will be able to find the exact position of the quartz wedge operated by it, in which the field is neutral, or of the same intensity of light on both halves. The three different appearances presented by the field are best shown in the following diagram:

Fig. 2.

Wth the milled head set at the point which gives the appearance of the middle disk as shown above, the eye of the observer is raised to the reading tube K, and the position of the scale is noted. It will be seen that the scale proper is attached to the quartz wedge, which is moved by the milled head; and attached to the other quartz wedge is a small scale called a *vernier*, which is fixed, and which serves for the exact determination of the position of the movable scale with reference to it. On each side of the zero line of the vernier a space corresponding to *nine* divisions of the movable scale is divided into *ten* equal parts. By this device the fractional part of a degree indicated by the position of the zero line is ascertained in tenths; it is only necessary to count from zero, until a line is found which makes a continuous line with one on the movable scale.

With the neutral field, as indicated above, the zero of the movable scale should correspond closely with the zero of the vernier, unless the zero point is out of adjustment.

If the observer desires to secure an *exact* adjustment of the zero of the scale, or in any case if the latter deviates more than one-half of a degree, the zero lines are made to coincide by moving the milled head and securing a neutral field at this point by means of the small key which comes with the instrument, and which fits a small nipple on the *left*-hand side of F, the fixed quartz wedge of the compensating system. This nipple must not be confounded with a similar nipple on the *right*-hand side of the analyzing prism H, which it fits as well, but which *must never be touched*, as the adjustment of the instrument would be seriously disturbed by moving it. With the key on the proper nipple it is turned one way or the other until the field is neutral. Unless the deviation of the zero be greater than .5 degree it will not be necessary to use the key, but only to note the amount of the deviation, and for this purpose the observer must not be content with a single setting, but must perform the operation five or six times and take the mean of these different readings. If one or more of the readings show a deviation of more than .3 degree from the general average they should be rejected as incorrect. Between each observation the eye should be allowed 10 or 20 seconds of rest.

The "setting" of the zero having been performed as above, the determination of the accurate adjustment of the instrument by means of the "control" quartz plates is proceeded with. Such a plate will be furnished with each polariscope, having a sugar value which varies with the temperature, and tables are furnished each which give its exact value at different temperatures from 10° to 35° C.

The plate is placed in the instrument and the field observed; it will be seen that the uniform appearance of the field is changed. The milled head is turned to the right until the exact point of neutrality is reëstablished, just as described above in setting the zero. The scale is read, the observation repeated, the reading taken again, and so on until five or six readings have been made. The average is taken, readings being rejected which show a divergence of more than .3, and the result corrected for the deviation of the zero point, if any was found, the deviation being added if it was to the left and subtracted if to the right. If the adjustment of the instrument be correct the result should be the value of the control plate used, as ascertained from the table, for the temperature of 20° C. A variation of .3 from the established values may be allowed for errors of observation, temperature,

etc., but in the hands of a careful observer *a deviation greater than this after a careful setting of the zero shows that the instrument is not accurately adjusted.*

After the adjustment of the instrument the setting of the zero point is dispensed with, the indication of the scale for sugar solutions being corrected by the amount of deviation shown in the reading of the control plate from its established value as ascertained from the table, at the temperature of the room.

For example: A sugar solution polarizes 80.5; the control plate just before had given a polarization of 91.4, the temperature of the room during both observations being 25° C. According to the table the value of the control plate at 25° C. is 91.7; the reading is therefore .3 too low, and .3 is added to the reading of the sugar solution, making the corrected result 80.8. The temperature of the room must be ascertained from a standardized thermometer placed close to the instrument and in such a position as to be subject to the same conditions.

Preparation of the sugar solution for polarization.

If the sample is not entirely uniform it must be thoroughly mixed before weighing out, after all the lumps are broken up, best with a mortar and pestle. Then 26.048 grams are weighed out on the balance in the tared german-silver dish furnished for this purpose. Care must be taken that the operations for mixing and weighing out are not unduly prolonged, otherwise the sample may easily suffer considerable loss of moisture, especially in a warm room. The portion of sugar weighed out is washed by means of a jet from a wash bottle into a 100^{cc} flask, the dish being well rinsed three or four times and the rinsings added to the contents of the flask. The water used must be either distilled water or clear water which has been found to have no optical activity. After the dish has been thoroughly rinsed, enough water is added to bring the contents of the flask to about 80^{cc}, and it is gently rotated until all the sugar has dissolved. The flask should be held by the neck with the thumb and finger, and the bulb not handled during this operation. Care must be taken that no particle of the sugar or solution is lost. To determine if all the sugar is dissolved, the flask is held above the level of the eye, in which position any undissolved crystals can be easily seen at the bottom. The character of the solution is now observed. If it be colorless or of a very light straw color, and not opalescent, so that it will give a clear, transparent liquid on filtration through paper, the volume is made up directly with water to the 100^{cc} mark on the flask. Most sugar solutions, however, will require the addition of a clarifying or decolorizing agent in order to render them suf-

ficiently clear and colorless to polarize. In such case, before making up to the mark, a *saturated* solution of subacetate of lead is added.

The quantity of this agent required will vary according to the quality of the sugar; for sugar which has been grained in the strike pan and washed in the centrifugals, from 3 to 15 drops will be required; for sugar grained in the strike pan but not well washed in the centrifugals. that is, sugar intended for refining purposes, from 15 to 30 drops will be required; for sugar not grained in the strike pan, that is, "wagon" or "string sugar," "open kettle sugar," etc., from 1 to 3cc will be required. After adding the solution of subacetate of lead the flask must be gently shaken, so as to mix it with the sugar solution. If the proper amount has been added, the precipitate will usually subside rapidly, but if not the operator may judge of the completeness of the precipitation by holding the flask above the level of the eye and allowing an additional drop of subacetate of lead to flow down the side of the flask into the solution; if this drop leaves a clear track along the glass through the solution it indicates that the precipitation is complete: if, on the other hand, all trace of the drop is lost on entering the solution, it indicates that an additional small quantity of the subacetate of lead is required. The operator must learn by experience the point where the addition should cease; *a decided excess of subacetate of lead solution should never be used.*

The use of subacetate of lead should, in all cases, be followed by the addition of "alumina cream" (aluminic hydrate suspended in water),* in about double the volume of the subacetate solution used, for the purpose of completing the clarification, precipitating excess of lead, and facilitating filtration. In many cases of high grade sugars, especially beet sugars, the use of alumina alone may be sufficient for clarification without the previous addition of subacetate of lead.

The solution is now made up to the mark by the addition of distilled water in the following manner: The flask, grasped by the neck between the thumb and finger, is held before the operator in an upright position, so that the mark is at the level of the eye, and water is added, drop by

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* Prepared as follows: Shake up powdered commercial alum with water at ordinary temperatures until a saturated solution is obtained. Set aside a little of the solution, and to the residue add ammonia, little by little, stirring between additions, until the mixture is alkaline to litmus paper. Then drop in additions of the portions left aside, until the mixture is just acid to litmus paper. By this procedure a cream of aluminium hydroxide is obtained suspended in a solution of ammonium sulphate, the presence of which is not at all detrimental for sugar work when added after subacetate o lead, the ammonium sulphate precipitating whatever excess of lead may be present.

drop, from a siphon bottle or wash bottle, until the lowest point of the curve or meniscus formed by the surface of the liquid just touches the mark. If bubbles hinder the operation, they may be broken up by adding a single drop of ether, or a spray from an ether atomizer, before making up to the mark. The mouth of the flask is now tightly closed with the thumb, and the contents of the flask are thoroughly mixed by turning and shaking. The entire solution is now poured upon the filter. using for this purpose a funnel large enough to contain all the 100^{cc} at once, and a watch glass is placed over the funnel during filtration to prevent a concentration of the solution by evaporation.

The funnel and the vessel used to receive the filtrate most be perfectly dry. The first portion of the filtrate, about 20 to 30^{cc}, should be rejected entirely, as its concentration may be affected by a previous hygroscopic moisture content of the filter paper. It may also be necessary to return subsequent portions to the filter until the liquid passes through perfectly clear.

If a satisfactory clarification has not been obtained, the entire operation must be repeated, since *only with solutions that are entirely clear and bright can accurate polarimetric observations be made.*

When a sufficient quantity of the clear liquid has passed through the filter, the 200^{mm} observation tube is filled with it. The 100^{mm} tube should never be used except in the rare cases, when, notwithstanding all the means used to effect the proper decolorization of the solution, it is still too dark to polarize in the 200^{mm} tube. In such cases the shorter tube may be used, and its reading multiplied by two. The zero devition must then be determined and applied to the product. This will give the reading which would have been obtained if a 200^{mm} tube could have been used, and it only remains to apply the correction determined by the use of the control plate as previously described.

Example:

Solution reads in 100^{mm} tube	47.0
Multiplied by 2	2.0
Product	94.0
Zero reads plus 0.3	0.3
Solution would read in 200^{mm} tube	93.7
Reading of control plate	90.4
Sugar value of control plate	90.5
Instrument too low by	0.1
Add 0.1 to	93.7
Correct polarization of solution	93.8

Before filling the tube it must either be thoroughly dried by pushing a plug of filter paper through it, or it must be rinsed several times with

the solution itself. The cover glasses must also be clean and dry, and without serious defects or scratches. Unnecessary warming of the tube by the hands during the filling should be avoided ; it is closed at one end with the screw cap and cover glass, and grasped by the other end with the thumb and finger. The solution is poured in until its curved surface projects slightly above the opening, the air bubbles allowed time to rise, and the cover glass pushed horizontally over the end of the tube in such a manner that the excess of liquid is carried over the side, leaving the cover glass exactly closing the tube with no air bubbles beneath it, and with no portion of the liquid upon its upper surface. If this result is not attained the operation must be repeated, the cover glass being rubbed clean and dry, and the solution again brought up over the end by adding a few more drops. The cover glass being in position, the tube is closed by screwing on the cap. The greatest care must be observed in screwing down the caps that they do not press too tightly upon the cover glasses; by such pressure the glasses themselves may become optically active, and cause erroneous readings when placed in the instrument. It must therefore be ascertained that the rubber washers are in position over the cover glasses, and the caps should be screwed on lightly. It must also be remembered that a cover glass, once compressed, may part with its acquired optical activity very slowly, and some time must be allowed to elapse before it is used again.

The polariscopic reading may now be taken, an observation on the control plate having been made immediately before, as previously described. Then, *without altering the position of the instrument relative to the light, or changing the character of the latter in any way*, the tube filled with the sugar solution is substituted for the control plate. The telescope is adjusted, if necessary, so as to give a sharply defined field, which must appear round and clear. (This condition *must be fulfilled* before the observation is performed, as it is essential to accuracy.) The milled head is turned until the neutral point is found, and the reading is taken exactly as previously described, the operation repeated five or six times, the average taken with the rejection of aberrant readings, the average figure corrected for the deviation shown by the control observation from the sugar value of the control plate at the temperature of observation as given in the table, and the result taken as the polarization of the sugar. When a series of successive polarizations is made under the same conditions as regards temperature, position of the instrument with relation to the light, intensity of the light, etc., the control observation need not be made

before each polarization, one such observation being sufficient for the entire series. The control must be repeated at least once an hour, however, and oftener when the operator has reason to think that any of the factors indicated above have been altered, for any such alteration of conditions may change the zero point of the instrument.

In the polarization of the quartz plates, as also in the polarization of very white sugars, difficulty may be experienced in obtaining a complete correspondence of both halves of the field. With a little practice this may be overcome and the neutral point found, but when it can not the ordinary telescope of the instrument may be replaced by another, which is furnished with the polariscope, and which carries a yellow plate. This removes the difficulty, and renders it possible, even for one not well accustomed to the instrument, to set it at the exact point of neutrality.

Summarized sources of error.

The following principal sources of error must be especially guarded against:

1. Drying out of sample during weighing.
2. Excess of subacetate of lead solution in clarification.
3. Incomplete mixing of solution after making up to mark.
4. Imperfect clarification or filtration.
5. Concentration of solution by evaporation during filtration.
6. Undue compression of the cover glasses.
7. Alteration of the temperature of room, position of instrument, or intensity of light while the observation or control observation is being performed.
8. Performance of polarization with a cloudy, dim, or not completely round and sharply defined field.

STANDARDIZATION AND ADJUSTMENT OF APPARATUS AND INSTRUMENTS.

All weights, flasks, polariscope tubes, and quartz control plates used in the work of testing sugar by the polariscope will be standardized, and their accuracy attested, by the Office of Weights and Measures, U. S. Coast and Geodetic Survey. They will be marked with the name or initials of the Office of Internal Revenue (U. S. I. R.), and no test of sugar for bounty will be made with apparatus which is not so marked, unless special authority is given. Each quartz control plate will be accompanied by a table giving its sugar value at temperatures of each degree centigrade from 10° to 35°, in terms of the Ventzke scale.

The polariscopes used will be marked "U. S. Internal Revenue polariscope, No. ——," and will have their adjustment examined and their accuracy attested by the chemist of the Internal Revenue Office.

CARE OF INSTRUMENTS AND APPARATUS.

Officers who are charged with the duty of making polariscopic tests will be furnished with the necessary instruments and apparatus, for the proper care of which they will be held responsible. Flasks, funnels, and other glass apparatus will be replaced, when broken, upon application to the Commissioner of Internal Revenue. Officers will be expected to exercise due economy in making requisition for the same, as well as care in their use.

Officers will receipt for polariscopes and apparatus furnished them on Form No. 318, which will be sent to the Commissioner of Internal Revenue. Particular care must be taken of these instruments to insure their being kept at all times in good repair and adjustment and ready for use. The lenses shall be cleaned with chamois skin only, and the metal part kept free from rust and tarnish. Any shock or jarring of the instrument must be avoided, and if it is to be transported from one place to another, the officer having it in charge shall carry it with him as hand baggage if possible. If this is impracticable, however, it must be inclosed in its case, and this carefully packed in a larger box for transmission by express. If an instrument gets out of adjustment beyond the power of the officer to remedy, application must immediately be made for another instrument, by telegraph if necessary, and the crippled instrument shall be sent at once to the Commissioner of Internal Revenue marked "Laboratory," and accompanied by a letter stating the nature of the trouble experienced in using it.

COLLECTOR'S RECORDS.

Each collector will keep in his office a record of the operations of sugar factories in his district. The following books are furnished by this office for this purpose:

Book No. 69. Record of producers of sugar from sorghum or sugar cane and of their operations.

Book No. 70. Record of producers of sugar from beets and of their operations.

Book No. 72. Collector's record of sugar weighed and inspected, a record of the quantity of sugar weighed and inspected for each producer and its classification, the date of weighing and inspecting, and by whom weighed and inspected.

COLLECTOR'S CONSOLIDATED STATEMENT.

When complete annual returns have been received by the collector from all the sugar producers in his district, he will make an abstract or consolidated statement and forward one set of the returns, together with the abstract, to the Commissioner of Internal Revenue, retaining the duplicates on his files. Form 298 will be used for the consolidated statement. In reporting the operations of sugar factories on this form the collector will include all factories using the same process in a single group, separated from the others.

A recapitulation should be made on a separate sheet, showing the following particulars, viz:

Total number of sugar producers by open-kettle process.

Total number of sugar producers by vacuum-pan process.

Total number of sugar producers licensed and operating.

Total acres of cane or beets cultivated.

Total acres of cane or beets ground.

Total tons of cane or beets ground.

Total quantity of open-kettle sugar produced.

Total quantity of centrifugal sugar produced.

Total quantity of molasses produced.

Total sugar produced testing not less than 90 degrees.

Total sugar produced testing less than 90 degrees and not less than 80 degrees.

Total sugar produced entitled to bounty.

Total sugar produced testing less than 80 degrees [not entitled to bounty].

Total bounty on sugar testing not less than 90 degrees applied for.

Total bounty on sugar testing less than 90 degrees and not less than 80 degrees applied for.

Total sugar on hand at the factory not weighed and inspected.

CLAIMS FOR BOUNTY.

An annual appropriation is not required for the payment of the bounty. The act carries an appropriation with it; that is, it makes what is called a permanent annual appropriation.

Section 3689 of the Revised Statutes under which the bounty is to be paid, includes items which are payable when the liability accrues, out of any money in the Treasury not otherwise appropriated, and for which a specific appropriation is not required.

The law provides that for the payment of these bounties the Secretary of the Treasury is authorized to draw warrants on the Treasurer

of the United States for such sums as shall be necessary, which sums shall be certified to him by the Commissioner of Internal Revenue, by whom the bounties shall be disbursed.

Each individual who claims the bounty will make his application to the Commissioner on the prescribed form through the collector of the district, who, after examining the same and certifying to its correctness, will transmit it to this office, where it will be examined and forwarded to the proper accounting officers of the Treasury to take the usual course of claims against the Government. After the claims have been allowed, drafts upon the Treasury will be issued in payment, which will be mailed or delivered to the persons entitled thereto.

Claims for bounty will be made by the sugar producer on Form No. 301, and presented to the collector of internal revenue, accompanied with the certificates of the proper officers, showing the weight and classification of the sugar.

In case the business is under the control of an agent, manager, or superintendent, and the proprietor is not present to make the claim, or, in case of a firm, if no member is present, the claim may be made by such agent, manager, or superintendent in the name of the principal, and sworn to by the person who makes the same, who must be cognizant of the facts in the case. A person not directly identified with the management of the business will not be regarded as competent to make such claim. In case a claim is made by an assignee of an insolvent, or by a receiver, or a trustee, or legal representative of a deceased sugar producer, a certified copy of authority to act in such capacity must accompany the claim in the first instance, and be referred to in subsequent claims as on file in the Department.

The collector upon receiving such claims will carefully examine his record and make such other investigation as may be necessary to satisfy himself of their correctness. If the claim is correct, he will sign a certificate to that effect as printed on the form, and transmit the papers to the Commissioner of Internal Revenue, where the claim will be examined, and, if allowed, it will be forwarded to the proper accounting officers of the Treasury Department.

If the collector has reason to question the validity of the claim, the case must be held back until such investigation can be made as will enable him to make a definite recommendation for or against the claim before forwarding it.

The sugar producer will not present claims for bounty oftener than once a week.

Claims for bounty can not be transferred or assigned. Such assignments are prohibited by section 3477, United States Revised Statutes.

The drafts issued in payment of the claim will be made payable to the order of the sugar producer.

No money shall be paid to any person for bounty who is in arrears to the United States until he has accounted for and paid into the Treasury all sums for which he may be liable.

It is the duty of the collector to inform the Commissioner when any sugar producer in his district is indebted to the United States for taxes or otherwise.

INDORSEMENTS ON DRAFTS.

The name of the payee, as indorsed, must correspond in spelling with that on the face of the draft; no guarantee of an indorsement, imperfect in itself, can be accepted. If the name of the payee, as written on the face of the draft, is spelled incorrectly, the draft should be returned to the U. S. Treasurer, Washington, D. C., for correction.

Indorsements by mark (x) must be witnessed by two persons who can write, giving their places of residence.

Indorsements by executors, administrators, guardians, or other fiduciaries must be accompanied by certified copies, under seal, of letters testamentary, letters of administration, of guardianship, or other evidence of fiduciary character, as the case may be. Such certified copies once filed in the Treasury Department will be accepted for future indorsements until revocation of authority.

If the draft is made payable to an executor or administrator no such evidence is required.

Payees and indorsees must indorse by their own hands; officials, officially with full title; firms, the usual firm-signature by a member of the firm, not by a clerk or other person for the firm.

Every indorsement must be by the proper written (not printed) signature of the person whose indorsement is required.

AFFIDAVITS.

Affidavits required of sugar producers may be made before a collector, deputy collector, or any officer authorized to administer oaths. If made before an officer without a seal, the collector will satisfy himself that the officer had authority to administer oaths before sending papers to the Commissioner, attaching his certificate to that effect thereto. He should keep a record so far as necessary of such officers within his district as have such authority.

No internal-revenue officer will make any charge for administering oaths required to be taken by the regulations.

PENALTIES.

Any person not entitled to the bounty who shall apply for or receive the same becomes guilty of a misdemeanor and liable to a fine not exceeding five thousand dollars, or imprisonment not exceeding five years, or both.

The same penalty is imposed upon any person who shall knowingly refine or aid in refining sugar imported into the United States or upon which the bounty has been paid or applied for at the place described in the license.

FORMS AND RETURNS.

Collectors of internal revenue will be supplied with the proper blank forms that are furnished by the Government, and persons intending to manufacture sugar and apply for the bounty will be able to obtain the same upon application to those officers.

REGULATIONS AND INSTRUCTIONS TO BE FURNISHED SUGAR PRODUCERS.

Collectors will furnish a copy of these regulations to each producer of sugar from beets, sorghum, or sugar cane in their respective districts.

Instructions relative to the books which will be required to be kept by sugar producers, the manner of making returns, the weighing and inspection of the sugar, and information relative to the payment of bounty and to the law and regulations will be furnished by collectors of internal revenue to persons interested; but all new questions or points upon which a clear understanding does not exist must be referred to the Commissioner of Internal Revenue for his ruling thereon.

ADDITIONAL REGULATIONS.

The law provides that "the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the manufacture of sugar from sorghum, beets, or sugar cane grown within the United States, or from maple sap produced within the United States."

REGULATIONS IN REGARD TO THE BOUNTY OF MAPLE SUGAR.

Regulations concerning the bounty on maple sugar will be issued in a separate pamphlet, to be known as Series 7, No. 17, Revised Supplement No. 1.

REGULATIONS IN REGARD TO THE USE OF DISTILLED SPIRITS FREE OF TAX FOR MAKING SUGAR FROM SORGHUM.

Regulations relative to use of distilled spirits free of tax for making sugar from sorghum under the provisions of the act of March 3, 1891, making appropriation for the Department of Agriculture for the fiscal year ending June 30, 1892, have been prepared and are known as Series 7, No. 7, Revised, Supplement No. 1.

G. W. WILSON,
Acting Commissioner.

Approved:
O. L. SPAULDING,
Acting Secretary of the Treasury.

APPENDIX.

BLANK FORMS AND BOOKS RELATING TO SUGAR BOUNTY.

Blank Forms.

Form. No.

278. Sugar producer's bond.
287. Notice and application for license by producers of sugar from beets, sorghum, or sugar cane.
288. Notice and application for license and bond of producers of sugar from maple sap.
293. Form of book to be kept by producers of sugar from beets.
294. Monthly return of producers of sugar from beets.
295. Form of book to be kept by producers of sugar from sorghum or sugar cane.
296. Monthly return of producers of sugar from sorghum or sugar cane.
297. Annual return of producers of sugar from beets, sorghum, or sugar cane.
298. Collector's consolidated statement of sugar factories (annual).
299. Consignee's notice of arrival of sugar, and application for weighing and inspection.
300. Sugar producer's notice and application for weighing sugar at factory.
301. Claim for bounty on sugar of domestic production.
313. Inspector's monthly report of sugar inspected and classified.
314. Label for tin box for sugar samples.
315. Label for chest containing sugar samples.
316. Weigher's return of sugar weighed.
317. Inspector's return of sugar inspected and classified (on same form as weigher's return).
318. Receipt for polariscopes, etc.
319. Return of sugar sampled (bound in books of 100 each).
321. Record to be kept by producers of maple sugar. (Claim for bounty on same form.)
323. Application for weighing and inspection of maple sugar.
326. Weigher's return of maple sugar weighed.

327. Inspector's return of maple sugar inspected and classified (on same form as above).

329. Label for tin box for maple sugar samples.

Blank Books.

Book No.

69. Collector's record of producers of sugar from sorghum or sugar cane.

70. Collector's record of producers of sugar from beets.

72. Collector's record of sugar weighed and inspected.

74. Weigher's daily record of sugar weighed and sampled (4 sizes, 4, 8, 16, and 20 leaves).

75. Inspector's record of sugar inspected and classified.

76. Reports of polariscopic tests of sugar.

77. Record of sugar samples and polariscopic tests.

78. Collector's record of maple sugar producers.

79. Collector's record of weigher's and inspector's returns of maple sugar.

82. Weigher's record of maple sugar weighed.

Forms Relating to Account of Spirits Used for Manufacture of Sugar from Sorghum.

304. Sorghum sugar manufacturer's application for distilled spirits to be used in the manufacture of sugar from sorghum.

305. Permit for the withdrawal from distillery warehouses free of tax of distilled spirits to be used in the manufacture of sugar from sorghum.

306. Collector's order for inspection and delivery of distilled spirits to be used in the manufacture of sugar from sorghum.

307. Manufacturer's monthly statement of distilled spirits used in the manufacture of sugar from sorghum.

308. Daily return of deputy collector and gauger of distilled spirits used in the manufacture of sugar from sorghum.

309. Monthly return of deputy collector and gauger of distilled spirits used in the manufacture of sugar from sorghum.

310. Monthly statement of collectors, distilled spirits bonded for use in the manufacture of sugar from sorghum.

[Series 7, No. 17, Revised, Supplement No. 1.]
UNITED STATES INTERNAL REVENUE.

REGULATIONS

CONCERNING

BOUNTY ON MAPLE SUGAR,

UNDER

THE PROVISIONS OF THE ACT OF CONGRESS APPROVED OCTOBER 1, 1890.

FEBRUARY 8, 1893.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1893.

TREASURY DEPARTMENT,
Document No. 1573.
Office of Internal Revenue.

55277

BOUNTY ON SUGAR.

[ACT OF OCTOBER 1, 1890, 26 STAT., 567.]

AN ACT to reduce the revenue and equalize duties on imports, and for other purposes.

SEC. 1.

* * * * * * * *

BOUNTY ON SUGAR.

231. That on and after July first, eighteen hundred and ninety-one, and until July first, nineteen hundred and five, there shall be paid, from any moneys in the Treasury not otherwise appropriated, under the provisions of section three thousand six hundred and eighty-nine of the Revised Statutes, to the producer of sugar testing not less than ninety degrees by the polariscope, from beets, sorghum, or sugar cane grown within the United States, or from maple sap produced within the United States, a bounty of two cents per pound; and upon such sugar testing less than ninety degrees by the polariscope, and not less than eighty degrees, a bounty of one and three-fourths cents per pound, under such rules and regulations as the Commmissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

NOTICES, APPLICATION FOR LICENSE, AND BONDS.

232. The producer of said sugar to be entitled to said bounty shall have first filed prior to July first of each year with the Commissioner of Internal Revenue a notice of the place of production, with a general description of the machinery and methods to be employed by him, with an estimate of the amount of sugar proposed to be produced in the current or next ensuing year, including the number of maple trees to be tapped, and an application for a license to so produce, to be accompanied by a bond in a penalty, and with sureties to be approved by the Commissioner of Internal Revenue, conditioned that he will faithfully observe all rules and regulations that shall be prescribed for such manufacture and production of sugar.

LICENSES.

233. The Commissioner of Internal Revenue upon receiving the application and bond hereinbefore provided for shall issue to the applicant a license to produce sugar from sorghum, beets, or sugar cane grown within the United States, or from maple sap produced within the United States at the place and with the machinery and by the methods described in the application; but said license shall not extend beyond one year from the date thereof.

NO BOUNTY TO BE PAID IN CERTAIN CASES.—REGULATIONS AND INSPECTION.

234. No bounty shall be paid to any person engaged in refining sugars which have been imported into the United States, or produced in the United States upon which the bounty herein provided for has already been paid or applied for, nor to any person unless he shall have first been licensed as herein provided, and only upon sugar produced by such person from sorghum, beets, or sugar cane grown within the United States, or from maple sap produced within the United States. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the manufacture of sugar from sorghum, beets, or sugar cane grown within the United States, or from maple sap produced within the United States, and shall, under the direction of the Secretary of the Treasury, exercise supervision and inspection of the manufacture thereof.

PAYMENT OF BOUNTIES.—NO BOUNTY UPON LESS THAN FIVE HUNDRED POUNDS.

235. And for the payment of these bounties the Secretary of the Treasury is authorized to draw warrants on the Treasurer of the United States for such sums as shall be necessary, which sums shall be certified to him by the Commissioner of Internal Revenue, by whom the bounties shall be disbursed, and no bounty shall be allowed or paid to any person licensed as aforesaid in any one year upon any quantity of sugar less than five hundred pounds.

PENALTIES.

236. That any person who shall knowingly refine or aid in the refining of sugar imported into the United States or upon which the bounty herein provided for has already been paid or applied for, at the place described in the license issued by the Commissioner of Internal Revenue, and any person not entitled to the bounty herein provided for, who shall apply for or receive the same, shall be guilty of a misdemeanor, and upon conviction thereof, shall pay a fine not exceeding five thousand dollars, or be imprisoned for a period not exceeding five years, or both, in the discretion of the court.

BOUNTY ON MAPLE SUGAR.

[Series 7, No. 17, Revised, Supplement No. 1.]

REGULATIONS

RELATIVE TO

BOUNTY ON MAPLE SUGAR, UNDER THE PROVISIONS OF THE ACT APPROVED OCTOBER 1, 1890.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, February 8, 1893.

The act of Congress approved October 1, 1890, entitled, "An act to reduce the revenue and equalize duties on imports and for other purposes" (Schedule E), provides:

231. That on and after July first, eighteen hundred and ninety-one, and until July first, nineteen hundred and five, there shall be paid, from any moneys in the Treasury not otherwise appropriated, under provisions of section three thousand six hundred and eighty-nine of the Revised Statutes, to the producer of sugar testing not less than ninety degrees by the polariscope, from beets, sorghum, or sugar cane grown within the United States, or from maple sap produced within the United States, a bounty of two cents per pound; and upon such sugar testing less than ninety degrees by the polariscope, and not less than eighty degrees, a bounty of one and three-fourths cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

It further provides that "the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the manufacture of sugar from sorghum, beets, or sugar cane grown within the United States, or from maple sap produced within the United States, and shall, under the direction of the Secretary of the Treasury, exercise supervision and inspection of the manufacture thereof."

Under this authority, the following regulations are prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

NOTICE AND APPLICATION FOR LICENSE.

All producers of maple sugar who intend to apply for the bounty on the sugar produced, in order to entitle themselves thereto must prior to July 1 of each year, file a notice of the place of production, with a description of the machinery and methods to be employed, and an estimate of the amount of sugar proposed to be produced in

the next ensuing year, including the number of maple trees to be tapped, and make an application for a license.

Form No. 288, revised, is the form prescribed for giving the notice and making the application for license.

BONDS.

Maple sugar producers who intend to apply for the bounty on sugar produced must also execute a bond according to the prescribed form, which must accompany the notice and application for license and be filed prior to July 1 of each year. The instructions printed on the bond must be particularly observed and complied with.

The form of bond is printed on the same blank as the notice and application for license, Form No. 288, revised.

The penal sum of the bond will be fixed by the collector, and should not in any case be less than $100, and if the applicant proposes to tap more than 1,000 trees, not less than $200.

When the bond is found to be properly filled up and the sureties ample, the collector will indorse his certificate thereon, and forward the same to the Commissioner of Internal Revenue for approval.

Individual sureties must reside in the same collection district with the principal, except in cases where the collector is otherwise specially instructed. Sureties on every bond for $100 must state under oath on the prescribed form that they are, each of them respectively, worth $500 above all incumbrances, in real or personal estate, and double this sum on every bond for $200 or more.

The collector will be the judge of the sufficiency of the sureties.

Sureties to bonds on Form 288 will not be required to justify on Form No. 33 except in cases where the collector deems it necessary.

If a person desires to obtain bounty on maple sugar made from sap obtained from trees other than those included in his application for license, he should file an amended notice stating the additional trees upon which bounty will be claimed, their location, etc. If the sugar is to be made at the same place as described in the bond, it will not be necessary to file another bond; but if it is to be made at a place not covered by the bond, an additional bond will be necessary.

A new bond will be required in case of the death or insolvency of the sureties, or in any other contingency, at the discretion of the Commissioner of Internal Revenue.

Collectors will report whenever in their opinion a contingency arises which renders it proper that a new bond should be required to protect the interests of the Government.

LICENSES.

Collectors will forward to this office the notices, applications for license, and bonds of sugar producers as soon as they have been examined and are satisfactory.

If the same, upon examination, are found in due form, and are approved by the Commissioner, licenses will be issued and sent to collectors of internal revenue for record and delivery.

The licenses for each district will be numbered consecutively, commencing with No. 1, and each factory will be designated by the same number.

There is no provision in the law for transferring a license; but a licensed sugar producer disposing of his realty may reserve in the deed and as a part thereof the right to produce sugar from trees on the premises, and bounty may be claimed by him upon sugar which he produces there under his license.

If a sugar producer desires to carry on business at two or more places a separate notice and bond should be given for each place, and a separate license will be issued for each place where it is estimated that 500 or more pounds of sugar will be produced.

Collectors will inform sugar producers, as far as practicable, of the requirement that the notice, application for license, and bond must be filed prior to July 1 in order to entitle the applicant to obtain a license for the next ensuing year, so that no one intending to manufacture sugar and apply for the bounty may fail to file the necessary papers within the time prescribed by law. Applications for license must be mailed seasonably, so as to reach the collector's office before the first day of July.

COLLECTOR'S RECORDS.

Each collector will keep in his office a record containing the name and address of each licensed producer of sugar from maple sap in his district, with complete data respecting their operations, entered from the papers pertaining thereto which come into his hands. Book No. 78 will be furnished to collectors for keeping this record.

The names and residences of sureties upon the bonds of sugar producers and other data relative to bonds will be entered in the collector's record of bonds received. (Book No. 38.)

The collector will also keep a record, Book No. 79, in which entries in full from the weighers and inspectors' returns, Forms Nos. 326 and 327 hereinafter provided for, shall be made.

REQUIREMENTS TO BE OBSERVED BY MAPLE SUGAR PRODUCERS.

Sugar produced prior to the beginning of the fiscal year for which the license is given, or sugar produced subsequent to the beginning of said fiscal year from sirup produced before that date, or sugar that has once been presented to a deputy collector for weighing, is not entitled to bounty and should be kept separate and apart from the product on which bounty is claimed.

Any licensed sugar producer having on hand any such sugar or sirup, must, previous to commencing business under his license, re-

port the same to the deputy collector acting as weigher for the division in which he is located, stating the number and kind of packages, and the weight or quantity of each. Producers will use Form No. 342 for this purpose, which will be furnished by the collector of internal revenue at the beginning of the season to each sugar producer in his district.

Producers must include in this statement all maple sugar on hand whether bounty has been paid thereon or not, and all maple sirup whether of their own manufacture or not. No bounty must be claimed on this sugar or that made from the sirup of a previous season; and such sugar and sirup must be kept separate from the product on which bounty is to be claimed.

This statement must be made by every producer. In case no sugar or sirup is on hand, that fact should be stated.

No sugar will be weighed for any producer until this statement has been made and filed with the deputy collector acting as weigher for the division in which the producer is located.

The sugar produced upon which bounty is to be claimed must be put up in packages containing not less than ten pounds each.

The packages put up by each producer must be numbered serially, commencing with No. 1.

The packages must be marked with the producer's name and the serial number of the package.

Care must be observed to prevent a duplication of serial numbers of packages. If the producer has numbered more than one package with the same number, steps must be taken to correct it or proper explanation must be furnished.

The weight of the empty package to be deducted as tare shall be plainly marked on each package before it is filled.

Each package shall contain only one kind or grade of sugar.

Each producer shall have the packages as nearly uniform in size as practicable in order that the net weight of the sugar may readily be ascertained.

Covers of packages must be left unfastened so as to be easily removed by the weigher.

The manual labor connected with and incident to the weighing and taking samples of sugar must be furnished by the sugar producer when required.

In presenting sugar for weighing, producers must include not less than fifty pounds of similar grade in each lot.

Every licensed producer must have his sugar on which bounty is to be claimed weighed by the proper deputy collector as soon as practicable after he concludes his sugar making. The producer will be notified where the deputy collector is located to whom he will carry his sugar to be weighed, and he must continue with the same weigher during the season, unless a change is made by the authority of the collector of the district.

If for any reason a maple sugar producer prefers to have his sugar weighed at another weighing station than that to which he has been assigned by the collector, he will apply to the collector for a change of designation of the place at which his sugar shall be weighed, and if in the collector's opinion there are no objections thereto, the desired change can be made.

The application for bounty must be made on Form No. 321 which is the producer's record of operations.

PRODUCER'S RECORD.

Every licensed producer of sugar from maple sap is required to keep a record of operations, in duplicate, on Form No. 321. Blank forms can be obtained from the collector of internal revenue.

All the data required under the various headings of this record must be entered daily during the season, beginning with the first day on which maple trees are tapped.

If the form furnished by the collector is for any reason insufficient to contain all the data required, the same may be kept on blank leaves properly ruled and attached to the record and made to constitute a part thereof.

For the purposes of this record a day will be considered as beginning at 4 o'clock a. m. of the date specified; for example, the entries for any given date should include all operations between the hours of 4 a. m. of the day for which entry is made and 4 a. m. of the following day.

When the record is completed at the close of the season, and the columns footed, it should be verified by affidavit, and both copies forwarded to the collector of internal revenue of the district. One copy will be retained by the collector and the other forwarded after examination and certification to the Commissioner of Internal Revenue.

Care should be taken to keep the record properly and in the manner prescribed in order to facilitate consideration and action upon the claim for bounty.

If the sugar producer keeps for his own convenience books containing a more extended record of the operations of the factory, they shall be open to inspection by internal revenue officers as well as the official record, Form No. 321.

APPLICATION FOR WEIGHING.

No written or printed application for weighing sugar need be made by the sugar producer when his sugar is brought to the weigher designated by the collector for the performance of this duty.

The number of times which a producer may require the services of a weigher during the season is restricted to six, unless, in the discretion of the deputy collector, a larger number is actually necessary.

At the close of the season if the sugar producer desires to have the sugar remaining on his premises weighed and inspected, he will immediately make application to the proper deputy collector verbally or in writing.

DEPUTY COLLECTORS.

The work of weighing and sampling sugar made by licensed producers will be performed by deputy collectors, at such places as the Collector of Internal Revenue may direct.

Collectors will be authorized to appoint such additional deputies as may be necessary for the purpose of properly weighing the sugar produced in their respective districts.

Collectors will, prior to the date when such additional deputies will be needed, forward to the Commissioner of Internal Revenue a detailed estimate of the number that, in their opinion, will be required, the length of time they will be on duty, the rate of compensation to be paid, and the amount of expenses they will necessarily incur in traveling from one place of duty to another.

Such deputy collectors must take the prescribed oath before entering upon duty. They will be entitled to compensation only for the time they are actually employed in the performance of official duties.

Collectors of districts in which there are a large number of sugar producers will arrange their districts into suitable divisions or subdivisions and assign deputy collectors to each for the purpose of weighing sugar, either on the producer's premises or at such central places as may be designated, having in view the convenience of producers and a prompt and economical performance of the work.

Collectors will notify licensed sugar producers within which division or subdivision they are respectively included, and where the sugar of each may be weighed and inspected.

They will, as soon as practicable after the appointment of the necessary deputy collectors, deliver to each of them a full and complete list of the licensed producers in the division to which the deputy is assigned, together with their proper residence and license number, and any other information he may deem necessary to the proper and faithful enforcement of these regulations.

Collectors will make a report to the Commissioner at the close of the sugar season, giving the names of all persons appointed and on duty as deputy collectors for service in connection with weighing, sampling, and inspecting maple sugar in his district, with date of appointment, the number of days they were on duty, and the quantity of sugar weighed by each, with the number and kind of packages.

DUTIES OF DEPUTY COLLECTORS ACTING AS WEIGHERS.

Deputy collectors will give sugar producers the necessary instructions in regard to keeping the record on Form No. 321, and

shall exercise general supervision over the operations of sugar producers under instructions from the collector.

They shall forward Form No. 342, statement by producers of sugar and sirup on hand, immediately upon its receipt to the collector for comparison with Form No. 321 when received, and for his files.

It will be the duty of the proper deputy collector to weigh the maple sugar produced in his division when presented by a licensed producer or his agent as herein provided.

He may require packages to be emptied in order to ascertain the proper amount to be deducted as tare, if necessary, and direct the producer to perform all manual labor connected with and incident to the weighing and sampling of sugar.

He shall see that the sugar presented for weighing is divided into lots of not less than fifty nor more than one thousand pounds, each lot containing only one kind or grade of sugar, then accurately weigh the same, take fair samples of each lot as hereinafter provided, and securely fasten on the side of each package the label, Form No. 343, with the blanks therein properly filled.

No sugar will be weighed at designated central places unless it is intended for immediate shipment or sale.

Deputy collectors who act as weighers will be furnished by the collector with labels to be affixed to packages of sugar weighed, but must supply themselves, except when specially furnished by the collector, with necessary scales for use in weighing sugar, and will be held responsible for the accuracy of the same.

WEIGHER'S BOOKS AND RETURNS.

Deputy collectors acting as weighers will be furnished with the proper blanks and books as follows:

1st. *Weigher's Record No. 82*, in which they shall enter on the page set aside to each producer the particular items contained in Form No. 326. This book must be forwarded to the collector at the end of the season to be kept on the files of his office.

On receipt of the list of licensed producers in his division each deputy will arrange their names in alphabetical order and so enter them in his record, No. 82, for convenience of reference thereto when in use.

In districts where but a small quantity of sugar is to be weighed, the use of Book No. 74 may be continued as heretofore at the option of the collector.

2d. *Weigher's Return, Form No. 326*, on which the weigher shall enter the place and date of weighing, name and residence of the producer with the number of his license, the number of the lot, the number of packages weighed and their serial numbers, the serial number of the package or packages from which samples are drawn, with the gross weight, tare, and net weight of the lot of sugar weighed.

Each weigher shall number his returns serially, commencing with number one, continuing in consecutive order until the end of the season. The number of the lot and number of the sample to be entered on Form No. 326 must run serially for each producer, the number of the lot corresponding with the number of the sample.

The deputy collector must sign his name officially to each return.

The deputy collector shall make these returns in duplicate, and shall forward by mail at the close of each day both copies with the corresponding sample, to the collector of internal revenue, or such other person as he may direct, to be delivered to the inspector who is to make the classification.

INSPECTOR'S RETURNS.

The inspector's return will be made on Form No. 327 printed on the same blank with the weigher's return, Form No. 326. The inspector will properly certify thereon the place and date of the inspection of the sugar and its proper classification, and shall add thereto the number of his return and number of laboratory sample, sign it officially, and send one copy to the collector of internal revenue and the other to the producer, or both copies to the collector, according to instructions. The collector will see that the producer is furnished with one copy of the returns of the weigher and inspector.

The collector, after making entries in full from the weigher's and inspector's returns in Book No. 79, and comparing the returns with Book No. 74, shall attach them to the producer's claim for bounty, Form No. 321, and transmit the same to the Commissioner of Internal Revenue.

SAMPLES TO BE TAKEN BY THE WEIGHER.

Samples of sugar for classification by the inspector or expert must be taken at the time of weighing by the deputy or other officer acting under direction of the collector, in the manner prescribed. The producer must not be allowed to furnish his own samples. Samples must be selected by the proper Government officers.

The samples so taken will be sent by the weigher with the corresponding returns, Form No. 326, by mail on the day when taken to the collector, who will deliver them to the inspector or expert who is to make the classification, or they may be sent directly to such officer or laboratory as the collector may direct.

In all maple sugar districts, except the New England districts, unless otherwise directed, the samples of maple sugar taken by the deputies acting as weighers will be sent to the Commissioner of Internal Revenue for polarization at the laboratory in the Internal Revenue Office, together with Forms Nos. 326 and 327.

PROCURING SAMPLES.

Samples of sugar drawn by the weigher for the use of the inspector or expert who makes the classification must be sufficient in number

to fairly represent the product of each sugar producer. If the sugar in different packages presented at the same time for weighing is uniform in kind and grade, one sample will be sufficient; but if of different kinds and grades, the weigher must divide it into lots and draw as many samples, one from each lot, as there are kinds and grades.

For each lot a separate weigher's certificate must be given on Form No. 326, in order that the certificate issued and sent to the collector may correspond in every particular to the information furnished by the label (Form No. 329), upon the sample box containing the sample of the lot.

Care must also be taken to secure a fair sample of the packages from which the samples are drawn. To aid in the accomplishment of this purpose, weighers will be supplied by the collector with proper sampling instruments furnished upon their requisition made to the Commissioner of Internal Revenue.

PUTTING UP SAMPLES.

The samples will be placed in tin boxes provided by the collector. Upon the bottom of each box will be securely affixed a blank label (Form No. 329), which shall correspond to the weigher's return on Form No. 326. The weigher will place in each box a sufficient quantity of sugar to make the necessary tests, and fill out the blank label on the box with the data required. The ordinary sample box used should be filled. Covers must be securely placed on the boxes as soon as filled, and the same forwarded thereafter to the laboratory with as little delay as possible.

Care should be taken in putting up the samples to guard against loss or gain in moisture and to prevent the access of air to the contents of the box.

This may be best accomplished by pasting a strip of paper over the joint between the lid and the body of the box, and coating with melted paraffin; when this is impracticable, and when the sample is of very soft consistency so that it is likely to ooze out of the box, a sheet of waxed or parchment paper may be laid over the top of the box and the lid closed down over it.

Samples to be sent to the Internal Revenue Office may be sent by deputy collectors directly from the place where the sugar is weighed and sampled, addressed to the Commissioner of Internal Revenue and marked "Laboratory." Or, if the collector of the district desires to have them sent to him first, in order that he may make a memorandum of them before forwarding them to the Commissioner, there is no objection. The boxes, however, must not be opened after leaving the weigher's hands until reaching the Internal Revenue Office. The deputies will forward their weigher's returns, Form No. 326, with the sample in the same envelope. When the classification is made at the

laboratory in the office of the Commissioner the inspector's returns on Form No. 327 will be filled out and signed by the proper officer directed to make the classification and sent to the collector for record in Book No. 79, one copy to be subsequently returned to the Commissioner with the producer's record and claim for bounty, and the other to be delivered to the sugar producer.

POLARISCOPIC TESTS.

The classification of the sugar will be made by the inspector or the experts who examine the samples and make the polariscopic tests, under direction of the inspector or collector.

Samples will be examined by the inspector or expert who makes the classification as soon after they are received as practicable.

Instructions in regard to the use of the polariscope in testing sugar are contained in Series 7, No. 17, Supplement No. 3, and are incorporated in Regulations, Series 7, No. 17, Revised.

A polariscopic test will not be necessary in all cases in order to determine the classification. In many cases the inspector will be able to determine the classification without using the polariscope.

Whenever there is any reasonable doubt in regard to the class to which a sample belongs a polariscopic test shall be made, and the classification based upon the result of the test.

The polariscopic tests shall be made in duplicate only in cases where a single analysis gives a result which falls within the following limits, viz, less than 92 degrees and more than 88 degrees or less than 83 degrees. In such cases another test shall be made by a different expert. In case the results of the two separate tests agree within three-tenths of a degree (.3 per cent.) the average of the two shall be accepted as the basis of classification. In case the results do not agree within three-tenths of a degree (.3 per cent.) a third test of the sample shall be made, and of the three tests thus made, the average of the two most closely agreeing shall be accepted as the basis of classification, *provided* the said last-mentioned tests agree within three-tenths of a degree (.3 per cent.)

When two of the three tests thus made do not agree within three-tenths of a degree (.3 per cent.) a fourth test of the sample shall be made, which shall be subject to the same provisions as hereinbefore stated with reference to the preceding tests.

BOUNTY.

Upon sugar testing 80 to 90 degrees by the polariscope, the bounty will be 1¾ cents per pound, and upon sugar testing 90 degrees and above, 2 cents per pound.

There is no bounty on sirup which is not made into sugar, nor upon sugar testing less than 80 degrees by the polariscope; that is, containing less than 80 per cent of sucrose or pure sugar.

No bounty is payable upon maple sugar which is adulterated by addition of cane or other sugars.

No bounty is payable on sugar produced prior to the begining of the fiscal year or on sugar produced subsequent to the beginning of the fiscal year from sirup produced before that date.

To entitle the maple sugar producer to the bounty, the product must be made entirely from maple sap produced within the United States during the fiscal year for which he was licensed, with no admixture or addition of other materials.

Producers cannot carry sirup of one season's production over to another season and obtain bounty on the sugar made therefrom. Maple sugar to be entitled to bounty must be made from the sap during the licensed period.

No bounty shall be paid to any person engaged in refining sugars which have been imported into the United States or produced in the United States upon which the bounty has already been paid or applied for.

No money shall be paid for bounty to any person who is in arrears to the United States until he has accounted for and paid into the Treasury all sums for which he may be liable.

It is the duty of the collector to inform the Commissioner when any sugar producer in his district is indebted to the United States for taxes or otherwise.

PENALTIES.

Any person not entitled to the bounty who shall apply for or receive the same becomes guilty of a misdemeanor and liable to a fine not exceeding five thousand dollars, or imprisonment not exceeding five years, or both.

The same penalty is imposed upon any person who shall knowingly refine or aid in refining sugar imported into the United States or upon which the bounty has been paid or applied for at the place described in the license.

CLAIMS FOR BOUNTY.

Claims for bounty will be made on the sugar producer's record, Form No. 321, at the close of the season and presented to the collector of internal revenue.

The name of the producer must be alike in all the papers. If the signature to the claim for bounty differs in its spelling from the name signed to the bond and application for license, the claim will not be paid until satisfactory explanation has been made or the papers have been corrected.

The claim for bounty will not be allowed when the weigher's returns show a duplication of serial numbers unless a satisfactory explanation is furnished.

AFFIDAVITS.

Affidavits required of sugar producers may be made before a collector, deputy collector, or any officer authorized to administer oaths. If made before an officer without a seal, the collector will satisfy himself that the officer had authority to administer oaths before sending papers to the Commissioner, attaching his certificate to that effect thereto. He should keep a record so far as necessary of such officers within his district as have such authority.

No internal revenue officer will make any charge for administering oaths required to be taken by the regulations.

BLANK FORMS.

The proper blank forms referred to in these regulations will be furnished to collectors of internal revenue, and persons intending to manufacture sugar and apply for the bounty will be able to obtain the same upon application to those officers.

Collectors will furnish a copy of these regulations to each licensed maple sugar producer in their respective districts.

The foregoing regulations shall take effect from the date hereof.

JOHN W. MASON,
Commissioner.

Approved:
CHARLES FOSTER,
Secretary of the Treasury.

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[Series 7, No. 17 Revised—Supplement No. 2.]
UNITED STATES INTERNAL REVENUE.

ADDITIONAL REGULATIONS

RELATIVE TO

BOUNTY ON SUGAR

UNDER

THE PROVISIONS OF THE ACT OF CONGRESS APPROVED OCTOBER 1, 1890.

AUGUST 11, 1893.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1893.

TREBSURY DEPARTMENT.
Document No. 1619.
Internal Revenue.

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ADDITIONAL REGULATIONS

RELATIVE TO

BOUNTY ON SUGAR.

[SERIES 7, NO. 17, REVISED—SUPPLEMENT NO. 2.]

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, D. C., August 11, 1893.

The following regulations relative to bounty on sugar are prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, additional to those heretofore published in Series 7, No. 17, revised, and Series 7, No. 17, Revised—Supplement No. 1.

WEIGHING AND SAMPLING OF OPEN-KETTLE SUGAR.

Open-kettle sugar made in the district of Louisiana, intended to be shipped to New Orleans by the producer, will be weighed and sampled upon its arrival at that port.

Open-kettle sugar intended by the producer to be shipped to other points than New Orleans, or to be retained for home consumption, will be weighed at the place of production.

When open-kettle sugar is weighed and sampled at the place of production producers should be required to head up the hogsheads and turn them upon their sides before the work of weighing and sampling is performed, and the sample should be drawn from the center of the side of the hogshead with the commercial trier. The producer will be required to roll around the packages before sampling in order to break up the sugar and distribute in the general mass the molasses remaining at the foot or the draining end of the hogshead.

CONCERNING THE SALE OF SIRUP PRODUCED FROM CANE PURCHASED.

When cane or sirup is purchased by sugar producers, particular attention shall be given to the accounts. The records of the planters or sirup manufacturers, from whom the sirup is purchased, shall be compared with the sugar producers' books to see that no purchases are made of sirup except from persons who grow the cane, or produce the sirup from cane purchased by them from persons growing the cane.

The producers of sirup from cane purchased will be required to keep a record showing the name and address of persons from whom cane is

purchased and the quantity in tons and acres of cane from which the sirup is produced, in addition to the present requirements of the regulations, and to furnish a report to the sugar producer.

Factories producing sirup will be under the supervision and subject to the control of revenue officers, and their books shall be compared with the sugar producer's book as well as the records of the planters from whom purchases of cane are made, so that the sugar produced may be traced back directly to the cane.

MONTHLY RETURNS.

Sugar producers who have closed their factories for the season and have no sugar on hand which has not been weighed and sampled, except third or wagon sugars reported as in process of manufacture and held for subsequent treatment, need not be required to make monthly returns during the interim while the factories are not in operation.

Sugar removed from the factory for storage in warehouse on factory premises should be reported as on hand until it has been sold or disposed of and removed from the premises, at which time the proper entry should be made in the producer's book, as required by the regulations, and report made on the monthly return, Form No. 296.

INSPECTION OF FACTORIES.

Such inspection or supervision will be made of sugar factories between the dates of the inspection at the close of regular operations and the resumption of business the following season as may be deemed necessary for the protection of the Government.

CASE OF CHANGE OF FIRM.

The law makes no provision for transferring a license and gives no authority to the Commissioner to issue a license upon papers filed after June 30 in any year.

In case of a change of firm after that date, there is no authority to issue a license to the new firm. The business must be continued in the name of the old firm to enable the producer to obtain bounty on the sugar produced during the licensed period.

CASE OF SALE OF FACTORY AND MATERIAL FOR MAKING SUGAR.

In the case of a sale of a sugar factory and of wagon sugars or material for making sugar during the licensed period, the purchaser not being licensed is not entitled to bounty on the sugar produced. In order to obtain the bounty the business must be carried on in the name of the licensed producer. The sureties on the bond must sign papers to be filed in the office of the Commissioner consenting to this and continuing their liability. The claim for bounty can then be made by the party originally licensed and the bounty paid to him.

If the material in process of manufacture at the factory sold is carried over till the next licensed period and the purchaser obtains a license for that year, he will then be entitled to bounty on the sugar made from the material purchased.

CASE OF DEATH OF SUGAR PRODUCER.

In the event of the death of a sugar producer after license has been issued, it will not be necessary for the executor or administrator to execute a new bond if authorized to carry on business for the estate.

A certified copy of letters testamentary or letters of administration should be filed in the office of the Commissioner of Internal Revenue.

MARRIED WOMEN NOT TO BE ACCEPTED AS SURETIES ON BONDS.

Hereafter collectors will not accept married women as sureties on bonds of sugar producers.

DUTIES OF WEIGHERS.

When a weigher is assigned to two or more factories, and the business of the producer is so conducted that the weigher can be present during the operation of filling the packages and weighing, marking and branding the same, in case barrels are used the sample may be drawn from the package before heading up, if this can be done without unnecessarily consuming the time of the officer. In such cases the notice and application for weighing, Form No. 300, will not be required.

If the weigher can not be present without loss of time during the operation of packing, marking, and branding the packages, the producer must file Form No. 300.

When the samples are drawn from the packages before heading up a portion equal to a trier full shall be drawn from every fourth or tenth package, as the case may be, according to the kind of sugar sampled; if "second" or "third" sugar, or any sugar not grained in a vacuum pan, 25 per cent or every fourth package shall be sampled; if "first" or "cut second" sugar, 10 per cent or every tenth package shall be sampled, unless the lot contains less than ten packages, when 25 per cent or every fourth package shall be sampled. (See Regulations, Series 7, No. 17, Revised, p. 39.)

The samples thus drawn should be placed in a vessel provided for that purpose, and the portions taken from each package will be mixed together, and two sample boxes filled with the general sample thus obtained; one sample for the producer, and one to be forwarded to the collector of the district.

Weighers assigned to duty in the country will see that the Returns 316, and the Weigher's Book 74, as well as Form No. 300 (where the latter form is required) and the sample relating to the same, are sent to the collector's office in the same package. No package should contain

samples not covered by the proper returns and books, nor returns or books not represented by the proper sample. The separation of the papers referred to from the samples relating to the same, no matter how sent, whether by express or otherwise, must not be permitted.

Such packages may be sent by mail only where a sufficient number of samples have not accumulated in five days to warrant the use of a sample chest.

Under no circumstances should the samples and books and returns of more than one factory be placed in the same package, no matter who the producer, or how convenient the factories may be to each other.

Samples will be taken at the bin only in cases where a weigher is stationed at the factory, and weighs only at the factory at which he is stationed. In such cases Form No. 300 will not be required, and the weigher must be present during all the hours of his assignment.

RELATIVE TO DEPUTY COLLECTORS APPOINTED TO WEIGH AND SAMPLE SUGAR.

The attention of collectors is particularly directed to the necessity of exercising great care in the appointment of deputy collectors to weigh and sample sugar. The position is one of importance, upon which much depends. Applicants for such places should be examined to ascertain their fitness for the position, and none appointed who are not thoroughly qualified in character and intelligence for the discharge of this important public duty. Strict business principles should be observed in the selection and management of the force that the law may be administered with efficiency and economy.

JOS. S. MILLER,
Commissioner.

Approved:

CHARLES S. HAMLIN,
Acting Secretary of the Treasury.

Series 7, No. 18.

U. S. INTERNAL REVENUE.

REGULATIONS

FOR THE ISSUE OF

CERTIFICATES OF RESIDENCE

TO

CHINESE LABORERS, AND CHINESE PERSONS OTHER THAN LABORERS,

UNDER THE

PROVISIONS OF THE ACT OF MAY 5, 1892.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1893.

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TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., April 8, 1893.

To Collectors of Internal Revenue:

Section 6 of the act of Congress approved May 5, 1892, entitled "An act to prohibit the coming of Chinese persons into the United States," provides that it shall be the duty of all Chinese laborers within the limits of the United States at the time of the passage of this act, and who are entitled to remain in the United States, to apply to the collector of internal revenue of their respective districts within one year after the passage of this act for a certificate of residence.

Section 7 of said act provides that such certificates shall be issued without charge to the applicant, and shall contain the name, age, legal residence, and occupation of the applicant, and such other description of the applicant as shall be prescribed by the Secretary of the Treasury, and a duplicate thereof shall be filed in the office of the collector of internal revenue for the district in which such Chinaman makes application.

The honorable Secretary has issued the accompanying revised rules and regulations, deemed necessary by him for the execution of this act, and copies of such regulations will be furnished to collectors of internal revenue.

Collectors of internal revenue are hereby required to see that certificates of residence are issued to such Chinese persons as are entitled to them, and to deliver such certificates in localities convenient to the applicants. Collectors will be careful to accurately fill out the original and duplicate certificates and the stubs thereof.

The duplicate certificate and the application will be kept on file in the office of the collector in whose district the applicant resides.

The stubs, properly filled out, will be forwarded to this office as soon as the certificates contained in book are consumed.

At the close of business on May 5, 1893, all books of certificates wholly or partially used will be promptly returned to this office, with the stubs of the certificates issued therefrom correctly filled out.

John W. Mason
Commissioner.

REGULATIONS

FOR THE

ISSUE OF CERTIFICATES OF RESIDENCE TO CHINESE LABORERS, AND CHINESE PERSONS OTHER THAN LABORERS, UNDER THE PROVISIONS OF THE ACT OF MAY 5, 1892.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., April 8, 1893.

Section 7 of the act of Congress approved May 5, 1892, entitled "An act to prohibit the coming of Chinese persons into the United States," provides "that immediately after the passage of this act the Secretary of the Treasury shall make such rules and regulations as may be necessary for the efficient execution of this act, and shall prescribe the necessary forms and furnish the necessary blanks to enable the collectors of internal revenue to issue the certificates required hereby, and make such provision that certificates may be procured in localities convenient to the applicants," etc.

In accordance with the foregoing authority, the following rules and regulations are prescribed for the purposes therein indicated, to wit:

APPLICATIONS FOR CERTIFICATES OF RESIDENCE.

Collectors of internal revenue will receive applications on the following form, at their own offices, from such Chinese as are conveniently located thereto, and will cause their deputies to proceed to the towns or cities in their respective divisions where any considerable number of Chinese are residing, for the purpose of receiving applications:

No. ——.

Application of Chinese laborer (or Chinese person other than laborer) for certificate of residence under act of May 5, 1892.

I, ——— ———, a Chinese ———, hereby make application to the collector of internal revenue for the ——— district of ——— for a certificate of residence under the provisions of the act of Congress approved May 5, 1892, and state that I arrived in the United States on the ———

day of ———, 18—, at the port of ———, per———, and that I was lawfully within the limits of the United States residing at———, ——, on the 5th day of May, 1892. That my age was —— years on my last birthday, and that my present local residence is at ———, and my occupation is ———.

(Sign here.) ——— ———.

Subscribed and sworn to before me this ——— day of ———, 189—, at ———, ——.

———— ————,

Deputy Collector Internal Revenue ——— *District* ———.

No applications will be received later than May 5, 1893.

Collectors and deputies will give such notice through leading Chinese, or by notices posted in the Chinese quarter of the various localities, as will be sufficient to apprise all Chinese residing in their districts of their readiness to receive applications and the time and place where they may be made.

All applications received by deputies must be forwarded to the collector's office, from whose office all certificates of residence will be issued, and sent to the deputy for delivery.

AFFIDAVIT OF WITNESS.

The affidavit of at least one credible witness of good character to the fact of residence and lawful status within the United States must be furnished with every application. These affidavits shall be, in substance, as follows:

Affidavit of witness to application of Chinese laborer (or Chinese person other than laborer) for certificate of residence.

I, ——— ———, residing at ———, ——, do solemnly swear that I am well acquainted with ——— ———, a Chinese ——— whose application for a certificate of residence is set forth on a preceding page; that I know of my own knowledge that on the 5th day of May, 1892, said ——— ——— was within the limits of the United States, residing at ———, and I am informed and verily believe that said ——— ——— arrived in the United States on the ——— day of ———, 18—, per ———, and was lawfully within the United States on said 5th day of May, 1892; that the said applicant now resides at ———, and is by occupation a ———.

Signature of witness: ——— ———.

Subscribed and sworn to before me this ——— day of ———, 189—.

———— ————,

Deputy Collector Internal Revenue,

——— *District of* ———.

If the applicant is unable to furnish such witness satisfactory to the collector or his deputy, his application will be rejected, unless he shall

furnish other proof of his right to remain in the United States, in which case the application with the proofs presented shall be forwarded to the Commissioner of Internal Revenue for his decision.

The witness must appear before the collector or his deputy, and be fully questioned in regard to his testimony before being sworn.

ISSUE OF CERTIFICATES OF RESIDENCE.

Certificates of residence in the following form will be furnished, bound in books of one hundred each, and numbered consecutively from one upward, to-wit:

(Original.)

No. ——.

UNITED STATES OF AMERICA.

Certificate of residence issued to Chinese laborer (or Chinese person other than laborer) under the provisions of the act of May 5, 1892.

This is to certify that ——— ———, a Chinese ——— now residing at ———, has made application, No. ——, to me for a certificate of residence under the provisions of the act of Congress approved May 5, 1892, and I certify that it appears from the affidavit of witness submitted with said application that said ——— ——— was within the limits of the United States at the time of the passage of said act, and was then residing at ———, and that he was at that time lawfully entitled to remain in the United States, and that the following is a descriptive list of said Chinese ———:

Name.	Age.	Local residence.	Occupation.	Height.	Color of eyes.	Complexion.	Physical marks or peculiarities for identification.

Given under my hand and seal this ——— day of ———, 189—, at ———, State of ———.

[COLLECTOR'S SEAL.]

——— ———,
Collector of Internal Revenue,
——— *District of* ———.

(Stub.)

Name.
Age.
Local residence.
Occupation.
Height.
Color of eyes.
Complexion.
Physical marks or peculiarities for identification.

The original, duplicate, and stub will be printed on one page so that the original and duplicate can be cut off, leaving the stub in the book.

All books of certificates must be kept in the collector's office and all certificates must be issued from there.

All certificates must be accounted for, and if any certificate is destroyed before being issued an affidavit must be attached to the book in which it was contained showing the facts in regard to its destruction.

After signing the certificate, and before issue, the collector must affix his official seal thereto.

ISSUE OF CERTIFICATES OF RESIDENCE TO CHINESE PERSONS OTHER THAN LABORERS.

The same forms will be used in issuing certificates of residence to Chinese persons other than laborers as are used in issuing certificates to laborers, by inserting between the words "Chinese" and "laborers," wherever they should occur in said forms, the words "person other than," a blank space being provided in each form sufficient to admit of writing the four words, "person other than laborer."

ISSUE OF DUPLICATE ORIGINAL CERTIFICATES.

In all cases of loss or destruction of original certificates of residence where it can be established to the satisfaction of the collector of the district in which the certificate was issued that such loss or destruction was accidental, and without fault or negligence on the part of the applicant, a duplicate of the original may be issued under the same conditions that governed the original issue. Across the face of each of such duplicates so issued and the stub thereof the collector shall write, in red ink, the words, "Issued in lieu of original certificate No. ——— which, upon evidence submitted, appears to have been unavoidably lost" [or destroyed, as the case may be], to which shall be attached the collector's official signature. And upon the issue of every such duplicate certificate the collector shall, by circular letter, report the fact to the office of the Commissioner of Internal Revenue and to each collector of internal revenue, embracing in such report the serial number of the certificate for which the duplicate was issued and the name and personal description of the person to whom issued, as appearing in the original application.

COLLECTOR'S RECORD OF CERTIFICATES ISSUED.

Collectors of internal revenue will keep in their offices an alphabetical record of all certificates of residence issued. A suitable book for this purpose will be prepared by the Treasury Department and furnished to collectors in due time.

DEFINITIONS.

The persons referred to in the acts of Congress to which these regulations apply, and whose immigration into the United States is prohibited, are limited to Chinese laborers. No class of Chinese are prohibited from coming into the United States, or remaining here, except such as may properly and within the meaning of said statutes be known as "laborers." But persons other than laborers must present as a condition-precedent to landing the certificate required by section 6 of the act approved July 5, 1884.

Collectors of internal revenue and their deputies are instructed that all classes of skilled and unskilled laborers, and persons employed in mining, as well as hucksters, peddlers, and persons engaged in taking and drying or otherwise preserving shells or fish for home consumption or exportation and laundrymen shall be classed as laborers. Persons who are employed in stores, but who are not owners or part owners in the business, shall be classed as laborers. A person to be exempted from the operations of this law as a merchant must be an owner or part owner of a bona-fide mercantile establishment.

J. G. CARLISLE,
Secretary.